

Insighter



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KEY MANAGEMENT NEWSLETTER & UPDATES

Creating Value in the Supply Chain

A business entity is successful if it endures time. During the last 20 years, many venerable companies have expired. **Vanguard Distributing** has been associated with STORM since 2001. The history of Vanguard Distributing began in 1984 in the distribution of safety supplies to Fortune 1000 companies. The company has been recognized for many awards including the National Minority Supplier of the Year and recognized by Black Entrepreneur Magazine as a company in its Top 100 list for 2002. During the last 20 years, Vanguard has migrated from the traditional distributor to managing “integrated supply” and being commodity managers for a number of Fortune 100 companies.

This transformation from the traditional distributor to an integrated supply partner was to bring value to its customers and partners. Vanguard created this additional value with the introduction of a comprehensive material control system and practices that streamlined operations. This allowed for Vanguard to slot into a customer organization and enhance their ordering and control function for material items such as:

- ☞ Safety
- ☞ Fluid Poser
- ☞ Power Transmission
- ☞ Industrial Supplies
- ☞ Electrical
- ☞ Plumbing
- ☞ Fasteners
- ☞ Chemicals
- ☞ OEM Spare Parts
- ☞ Tooling – Build to Print Replacement Details

These programs that have been under the management of Vanguard Distributing have prospered and resulted in tangible and significant savings to its customers and partners. To illustrate the significance of these savings, the following is an example of a current customer:

Profile: A Fortune 100 tier-1 supplier to the automotive market

- ☞ Reduced cost of product purchased by 19%
- ☞ Lead Time to Reduction: From 41 to 12 days
- ☞ Deviation Reduction: From 687 to 190
- ☞ Die Down (2003-2004): From 252 to 80
- ☞ Improved Receiving Accuracy to 99.6%
- ☞ Improved Die Delivery in three years from 67%-95%

Vanguard also helped to improve the supply chain incoming quality by 18% overall with many of the suppliers achieving 100% and the average rising through the balance of eliminating bad suppliers and good suppliers getting better through quantitative feedback.

Vanguard was able to make a significant impact on the overall performance of the operation it was given to manage. This was accomplished through the use of the Vanguard integrated enterprise system and the strict adherence to metrics. The results were improved deliveries, increased turns and earns, and a reduction in rejections while lowering overall costs 7.3%.

Vanguard has perfected this capability in specific space working with medium to large companies that need to streamline their supply chains. It is also very helpful to receive a substantial amount of minority purchasing recognition for organizations that support diversity in their supply base.