

OUT OF STOCK, OUT OF MIND

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How to achieve 'just-in-time manufacturing' success

There is a growing trend in the manufacturing sector for what is known as 'just-in-time manufacturing'. This, in the simplest terms, is when companies request goods to be delivered only when needed within the production process.

The reasons for this, almost last minute, approach to manufacturing, is multi-fold. The theory is manufacturers can increase efficiency and decrease waste, as well as reduce inventory costs by limiting their storage. This means the company needs to be able to calculate demand accurately as they only produce what is required at the correct time. Carefully planned scheduling and flow of resources through the production process is key. But is this approach to manufacturing better than more traditional methods?

We have already touched upon the most obvious advantages of 'just-in-time manufacturing', with the increase in efficiency, decreased waste and reduced inventory costs. There is also the advantage of having less capital tied up in stock, as it will only be delivered when required there is less chance of it becoming perishable, outdated or obsolete. From a cost saving perspective, it is clear how such an approach can be appealing to manufacturers. However, they need to be wary of the potential drawbacks of leaving it as late as possible.

Dangers of leaving it to the last minute

The most obvious of these is that there is no room for error. Being on such a short timetable and a quick turnaround, means that any mistakes can cause serious delays and loss of profit. With the amount of stock being ordered only being the right amount for the job in hand, and being close to a deadline, it is likely only a minimal amount is on hand. It is very unlikely surplus stock will be available to take the place of any with defects, resulting in over reliance on suppliers. There is always a certain amount of calculated risk when

outsourcing, which is more prominent when it involves something so time sensitive. You have no control over any problems that may be occurring at the external company, but it is your reputation on the line if you are unable to deliver a product on time.

Logical partners

Therefore for 'just-in-time manufacturing' to be truly effective, there needs to be a logistics partner who is aware of the time-critical nature of the business. Manufacturers should be confident that their partner will provide them with the quickest workable solution. This means that they should have strategically placed offices on a global scale that operate 24/7, as well as utilising technology to ensure high levels of visibility and traceability. This is all part of the Priority Freight service, enabling manufacturers to be more confident that they are able to meet the demands of their customers.

If a manufacturer is in partnership with a logistics supplier such as Priority Freight, they will be able to maximise flexibility and responsiveness of their supply chains, something which is key when using 'just-in-time manufacturing'. The cost-effective service provided by Priority Freight helps distressed supply chains avoid downtime and protects the manufacturers reputation.

Priority Freight know that one size does not fit all in this industry, particularly when against the clock. Offering bespoke solutions ensures that goods are delivered on time and in perfect condition, every time.

There is a high level of trust needed when using a logistics partner so finding the right time-critical logistics partner is important. At Priority Freight, we pride ourselves on a 99.6% delivery rate which emphasises our ability to deliver for our clients as does our 24/7 monitoring, providing real-time updates from origin to destination.

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