

How North America's Largest OTR Retreader Improved Efficiency 33%



RDH Tire & Retread is North America's largest off-the-road (OTR) tire retreader. Located in Cleveland, N.C., its plant operates 24 hours a day to strip and retread huge tires for even bigger off-road vehicles.

The Challenge – Finding the Key

With massive tires comes a massive floorplan. The RDH facility in North Carolina is spread over tens of thousands of square feet. Tools and equipment were locked up in centrally located cabinets.

When an employee needed a new tool or supply, he or she had to walk across the expansive facility floor to find a foreman or supervisor with a key to the cabinet. The supervisor then had to stop working, walk to the cabinet, unlock it, and give the item to the employee before both could walk back and

Lost time = Hidden expense



resume what they were working on. If a supervisor was not at work at the time, employees lost even more time looking for someone else with a key.

This arrangement meant that employees and supervisors routinely lost 30 minutes before getting back to work, and the episode was repeating four to five times each day. Even cabinet runs that were faster were still adding up to another two hours lost every day in the facility. Multiplied by hourly wages, this behavior was costing the company tens of thousands in wage costs each year. When viewed this way, the true impact of the lost time was a

major, hidden expense for the business.

"It was a very time consuming process, both for employees and supervisors" said Tim Wilhelm, the plant manager. "All that movement was really costing us."

This method of distribution was also causing unseen supply chain problems at the plant, which was still using pen and paper to track it all. Supervisors didn't have a good handle on how many tools and supplies each individual was using. This put the operation at risk for buying too much of a material or supply that was used infrequently, and not buying enough of more commonly used items.

MTS Xpress

RDH Tire & Retread saw that MTS Xpress could solve many of these problems. Wilhelm oversaw the installation of two MTS Xpress devices from Myers Tire Supply® and its partner Apex Supply Chain Technologies®. The EDGE™ 5000 has helical



Plant manager Tim Wilhelm now has better visibility of supply usage and real-time insights into inventory needs, which has eliminated stock-outs.

arms and dispenses items such as paint sticks, ear plugs, small knives, face shields, combs, gougers, gloves and air hose adaptors. Also at the plant is an Axxess™ 6016 16-door locker holding irregularly-shaped items. These include longer gloves, large knives, 18-inch regrits, cleaning disks and large gougers.

Each employee has a personal ID code to access tools and supplies from both devices.

33% Efficiency Improvement, More than \$26,000 Wage Savings

Giving each employee direct access to everything they needed throughout the day led to an immediate improvement of about 33% for the efficiency of the operation. The business reduced the number of employees it had by about 25%, yet each employee was able to increase throughput by about one-third by wasting less time walking and waiting. With more than five hours of working time saved each day by employees and supervisors, the shop began finishing jobs much faster.

"Our employees don't have to search for a supervisor anymore to find the tools and supplies they need. They can get them on their own," Wilhelm said. "I was one of those key holders and it's made my life much easier. The cost effectiveness of our labor has gone up, because cutting out all of that dead time allowed our supervisors to go back to supervising people."

Spending Less, Easy Restocking

Consumption dropped as employees entering their personal ID code for each transaction began taking more accountability for what they used.

Both devices are connected to Apex Trajectory Cloud™ software, which provides 24/7 real-time monitoring and alerts on inventory levels and usage patterns. With this information, the Myers Tire Supply representative saves time by knowing exactly what to order for restocking when he visits. He's then free to give more attention to other

needs RDH Tire & Retread may have. Meanwhile, the team at RDH never has to think about running out of anything.

"It's a turnkey process for me," Wilhelm said.

Trajectory was also important in giving Wilhelm a better understanding of other inventory issues, including items on which RDH Tire & Retread was over-ordering.



By locating frequently used tools and supplies close to where they're used, RDH saved five hours a day in employee and supervisor time, increasing efficiency by 33%.

"Month by month it has dropped how much we spend on products that we had been buying more of in the past. Since we don't have to worry about running short, we can optimize the maximum and minimum levels we set for everything we buy from Myers."

Quality Improvement, Too

Perhaps most importantly, the people at RDH Tire & Retread were able to place greater emphasis on things that are more important than supply chain management.

"When we could stop worrying about running around looking for tools and supplies, it allowed us to focus just on the work we were doing," Wilhelm said. "As a result, we've made big improvements in the quality of our work ever since we installed MTS Xpress."

Gain Control and Visibility of Your Supplies

To learn more about the MTS Xpress inventory management solution, please contact a Myers Tire Supply representative at 800-998-9897.

CALCULATIONS

EMPLOYEE'S WAGE SAVINGS

$$2.6 \text{ HOURS/DAY} \times \$15 \text{ PER HOUR} = \$200 \text{ PER WEEK}$$

SUPERVISORS' WAGE SAVINGS

$$2.6 \text{ HOURS/DAY} \times \$25 \text{ PER HOUR} = \$333 \text{ PER WEEK}$$

TOTAL WAGE SAVINGS ANNUALLY

\$26,133



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