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## **Manufacturing Support Services Program**

*Solutions and Services that Simplify the Logistics Supply Chain Process*

### **Situation:**

Due to the magnitude of responsibility in maintaining inventory control and production integrity, manufacturing companies are increasingly seeking third party providers to structure and manage their integration and production operations. Often, manufacturers choosing an internal method of production operations management struggle with problems of cost increases, diminished order fulfillment capabilities and decreased product quality. Ideally, all processes should be coordinated and managed using cost effective solutions that are adaptable for a variety of customized manufacturing and distribution options.

### **Goal:**

Develop and implement an improved manufacturing support process that encompasses all functions of operations, including inventory control, safety stock maintenance, assembly, integration, production and quality control, scheduling, and domestic and global shipping. The support program promotes efficient, cost-effective coordination of multiple manufacturing processes without sacrifice to product quality or the customer's timeline and budget. A successful solution factors all elements of time, cost, location, and flexibility of completing the manufacturing process.

### **Solution:**

nAL developed the **Manufacturing Support Services (MSS) program** with the objective of performing a comprehensive operations analysis, including a complete review of all processes, controls, and personnel. The nAL MSS Program Implementation Team reviews this information and is able to develop a customized program strategy that addresses all issues and corrective measures to help the manufacturer minimize costs and increase both control and quality of production and delivery.

By improving production, the nAL MSS plan is able to lower the costs of material handling and production while increasing the frequency and duration of the quality control checks and minimizing system failures. Benefits most often gained as a result of the nAL MSS program include:

- 100% inventory accuracy
- 100% on time shipments
- Zero defects on workmanship
- Reduced inventory carrying costs
- Reduction in production costs
- Increase in production capabilities

### **Case Study: *a nAL Manufacturing Support Services (MSS) Success Story***

The operations division of a major computer manufacturing company sought a third party provider to take over their integration and production operation. The company had experienced difficulties with inventory control and production integrity. The results of these two problems were significant cost increases, diminished order fulfillment capabilities and decreased product quality. Their outsourcing goal was to increase quality and production capabilities while decreasing the overall program costs. After numerous attempts to change and improve internal operations, the company decided to investigate outsourcing the entire process.

The product is a stand-alone computer workstation with order-specific hardware and software. Each unit is unique, requiring the service provider to have the bandwidth to operate in a build-to-order environment. Program requirements include a host of activities: inventory control, safety stock maintenance, material requirements review, replenishment and loss prevention, production control, quality control in hardware installation and software loading, master scheduling, integration and kitting, and domestic and international shipping.

The nAL MSS program implementation team analyzed the situation and designed a strategy to address the problem issues. The results involved converting a current single workstation approach to a roller assembly line. Utilizing lower cost material handling personnel in conjunction with electronic technicians using multiple software load and test stations, nAL MSS was able to reduce production costs by 40% while doubling throughput. The improvements in the production time allowed nAL MSS to increase the frequency and duration of the quality control checks resulting in minimal system failures at the end user site.

***The results:***

- 100% inventory accuracy
- 100% on time shipments
- Zero defects on workmanship
- Reduced inventory carrying costs
- 40% reduction in production costs
- 50% increase in production capabilities

The inventory issues that the customer experienced were addressed by implementing, documenting and following the stringent nAL MSS inventory control processes and procedures. These include daily ABC model cycle counting, material request transfer (MRT) documentation, per order component product tracking, and employee empowerment for inventory and quality control.