

# THE ENGINEER'S BRIEF

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## VENDOR MANAGED INVENTORY PROGRAM

### The Problem

Marconi Communications, a leading world-class manufacturer of telecommunications equipment, has been experiencing record breaking sales causing a dramatic increase in production. In the past, ordering product identification for their products was done on an "as needed" basis. But with the increase demand this system proved to be less effective. New shipments took up to 3 weeks to be received. As a result, production of large orders was sometimes delayed. Marconi was concerned that their customers would not be satisfied with this delivery performance. Their challenge was to find a supplier that could interface with their systems to provide product identification in an expedient and timely manner.

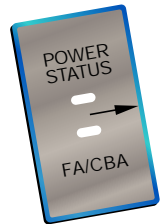
### The Solution

Marconi contacted Visual Marking Systems, the manufacturer of custom screen-printed product identification (decals, overlays and labels), to help solve this new challenge. VMS offered a solution in the form of a **Vendor Managed Inventory (VMI) program**. VMS would produce and store 3 months of inventory for every part on the program. When Marconi places an order, VMS would then have the parts on hand and then would be able to ship in 24 hours. VMS can provide this level of response because of it's computerized MRP system that will automatically generate a request to replenish the 90-day quantity as depleted by Marconi's orders.



### The Result

By providing this valued-added service, both companies have received **winning results** through good communications. With VMS managing Marconi's product identification inventory, they keep track of the annual usage on each part. VMS can update the 90-day supply as it changes and also make recommendations on manufacturing processes, which can result in reduced costs. Marconi has benefitted by not only receiving their parts as they are needed, eliminating any production delays. But they also have updated, accurate records on the year-to-date usage for all their product identification items purchased through VMS. The ultimate result is a "just-in-time" inventory system that works for both partners that will help avoid manufacturing delays.



VMS Corporation is a leading manufacturer of pressure sensitive markings including Overlays, Decals, Nameplates and Labels. If you wish to learn more about designing state-of-the-art product identification in a timely and cost effective manner, VMS offers a:

**FREE AUDIO CD:  
"5 Keys to Superior Product  
Identification"**

To receive your copy, contact us via:

Telephone (800) 321-1496

Fax (330) 425-9371, or

E-mail [sales@vmsinc.com](mailto:sales@vmsinc.com)