

KITTING DRIVES OEM EFFICIENCY

In these times of increasing manufacturing competitiveness, reduced margins and growing overheads, many companies are turning to alternative supply chains.

The following article shows how choosing the right partner can free valuable resources, allowing companies to concentrate on core business issues

For OEMs, CEMs and SMEs, outsourcing their supply chain to a specialist supplier offers many potential benefits. These include lower component prices, achieved through superior purchasing power and close relationships with leading brands and alternative component manufacturers. Savings can also be made on IT, logistics, administration, purchasing inventory and warehousing operations.

Ian Shelford, general manager at High Wycombe-based YEG Locator (a specialist in component sourcing, kitting and sub-assembly manufacturing services) commented: "Our business is all about trust and reliability. Outsourcing is a big step for a manufacturer and you have to be able to demonstrate an immediate and sustained positive impact to a company's efficiency through offering services which add value to their investment in you.

"You have to work hard at building close relationships based on transparency and you need the flexibility to be able to effectively integrate into your client's business processes. This is why, over the years, we have developed a flexible array of supply chain services that go beyond simply the sourcing and purchasing processes, to encompass kitting, project management, board-level assembly and complete box build and test."



YEG Locator can supply components grouped, packaged and labelled, from component kits to complete box build sub-systems.



YEG Locator's general manager, Ian Shelford, illustrates how kitting and sourcing services help companies speed production, introduce efficiencies and release valuable resources

The infrastructure needed to support the supply chain operation can be a drain on resources, which inevitably, can impact on cashflow, production cycles and the bottom line. Thus, it makes economical and logistical sense to consider a specialist company to supply some of these services.

Ian continued: "By utilising YEG Locator kitting, sourcing and other services, companies can speed up production processes and introduce efficiencies which can release valuable resources for redirection to core business needs. Flexibility is the key to longevity in this business. We have learned to respond to customers' needs rapidly. This has been the driving force behind our expanding services. Once clients see the benefits they are keen to use additional services."

YEG Locator's in-house expertise means it can take projects from initial specification to EMC testing in its own facility. The company can also offer advice when sourcing components, considering issues such as obsolescence and offering cost effective alternatives without compromising quality or performance. From a bill-of-materials, YEG Locator can supply all components, grouped packaged and labelled from component kits to complete box build sub-systems.

Ian concluded: "It is equally important to integrate into a client's procurement and production systems. At YEG Locator we can take on the entire procurement process or become an extension of a client's existing purchasing department. We can also integrate seamlessly with a client's preferred production process such as Kanban or Faxban and we are BSEN ISO9001:2000 accredited."

In summary, outsourcing supply chain services such as kitting and component sourcing to a flexible partner can result in:

- Streamlined administration and logistics operations
- Reductions in component cost prices
- Reduced purchase orders and invoices
- Reduced administration costs
- Greater price stability over the production cycle
- Faster production cycles
- Faster response to customer orders
- Cashflow benefits from reduced stockholding
- Savings from reduced inventory management
- Cost savings from utilising additional workspace

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