

Computer Insights Celebrates 20th

A Hawaiian motif was the order of the day at the recent 20th anniversary party of Computer Insights, Inc. During the festivities, Dennis R. Cowhey, President, recounted many stories about the company's growth and accomplishments. He remarked that, "Twenty years is along time in any industry, but in the computer software industry it is an eternity. Things have changed so dramatically in our industry that we do not sell any product that even existed in its present form five years ago."

"The addition of Palm Pilots for Bin Stocking Programs, the new Warehouse Management System and the e-Commerce Modules continue to keep us on the leading edge of the industry. Our substantial investment in new technology including our new docUstor Imaging for Drawings and Certifications provides our clients more ways to improve efficiency. Efficiency is the watchword today."

Computer Insights also announced that they have purchased the Intellectual Property Rights to docUstor, an imaging software package. This software is used to

store images of Drawings of Parts and copies of Manufacturer's Certifications.

Once the documents are scanned into the system, they are immediately available to users of The BUSINESS EDGE. When doing a Product Inquiry in The BUSINESS EDGE, they can be called up on the screen for review. The Drawings or Certifications can also be printed, faxed or e-mailed to vendors, customers or salespeople. They can be edited to add pertinent new information.

The Software was purchased along with all the assets of Sun Digital, LLC, for an undisclosed sum.

The new system is based on Microsoft NT or the Windows 2000 Operating System. It is using the latest technologies, and is building on the solid base of capabilities that already exist in The BUSINESS EDGE.

Computer Insights, Inc., providers of The BUSINESS EDGE, has become a leader in the field and their systems are in broad use in the United States. They also offer the system in Canada. ●



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The BUSINESS EDGE®

The Best Software For Tracking Your Hardware

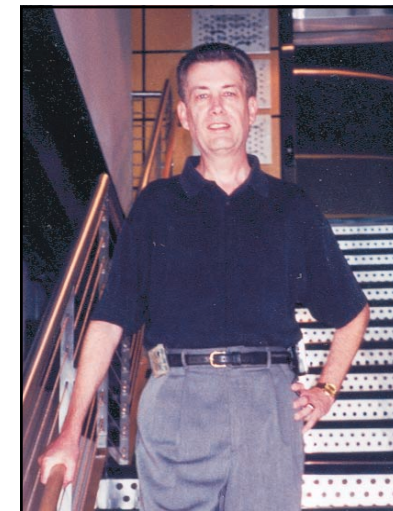
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Inventory Management and Technology Spell Success in Tough Times

As soon as you come upon Allied Fasteners, Inc.'s 24,000-square-foot headquarters building in Mc Kinney, TX, you know that this is a very special fastener distributor. The building is brand new and it looks high tech like a technology company rather than a fastener distributor.



Bill Browning, President of Allied Fasteners, descending the stairs in their new high tech headquarters.

The feeling intensifies when you enter the building. The whole organization hums with efficiency. There is a place for everything, and everything is in its' place. There is a lot of business going on, but there is none of the frantic activity that sometimes comes with doing a lot of business. There is no wasted motion.

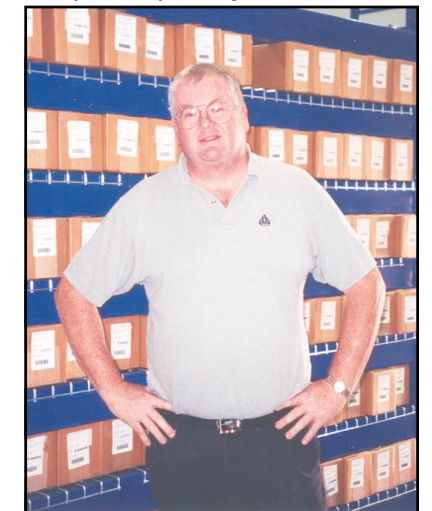
Model of Efficiency

Bill Browning, President, is a soft-spoken man who has carefully crafted this business, since he started it in 1980, to be a model of efficiency. He calmly explains that applying his business philosophy, and using technology to streamline the operation and eliminate human error, have enabled him to achieve the enviable position of producing nearly \$1,000,000.00 in sales per employee. His \$12,000,000 company, with three locations, (one in Texas and two in California), employs only 13 people. The computer system that he uses is The BUSINESS EDGE, from Computer Insights, Inc., Bloomingdale, IL, www.ci-inc.com.

Bill Browning's Roots

During a recent Interview he explained, "I started in this business in 1980. My Dad had a business like this, Allied Bolt, starting in 1958. I worked for him through 1980. Allied Bolt was a typical fastener distributor; run of the mill, probably doing about 1 million

and a half in sales — this was prior to 1980 — the best year they had was about 2 million in sales. They had maybe 25- 30 employees — they had a lot of overhead. I wanted to go into more doing it just in time - contractual things instead of selling just piecemeal to guys that walk in off the street or maintenance type of business."



Jim Allender, Vice President of Operations at Allied Fasteners, shows off their well organized random stocked warehouse.

Company Philosophy

Discussing when he started his own business, Bill said, "I was going to look at the 20% of the customers that made up 80% of the business and focus on them. Of course starting a new business, as you can imagine, funds were tight. So we looked at everything - one thing that I felt was that I wanted to have much better control of inventory. I didn't want inventory to be something that just grew and grew exponentially through the years, so I looked at it as an opportunity to really think this thing through."

He went on to say, "One of the problems that you face with the traditional line of fastener company is that it does take a lot of people to generate the business. It involves a lot of overhead, including this big inventory — it's still proportionate to your size but it's still the biggest asset that you have to manage. From that point in 1980 through today we have worked to try and streamline the production by looking at sales per employee. We do about a million dollars per employee as of late. We will probably do just under that this year. We work very low overtime. Nobody in this company works weekends. And I remember back in the early days working for my dad's business — we worked a lot of overtime, we worked a lot of weekends — our wheels were spinning in the mud — we really weren't going anywhere".

"So that brings us through to why we're doing business the way that we are now. There are two major considerations. The first is the amount of employees you need to operate the business successfully. The second is the management of the inventory; your biggest asset."

Inventory Management

One thing that Allied does that is quite different from the typical fastener distributor is that they write things off that have not sold for a year. After these items are identified, they attempt to sell these items for another few months. Then they put them in the Nationwide Sales book. If they aren't sold within a reasonable period of time, they are sold for scrap and written off. The BUSINESS EDGE makes this simple through a "Dead Inventory Report" and an automatic write off capability.

Allied maintains two branches with warehouses in California. The activities at each of the California branches are visible to Bill Browning and other interested parties from their desks at the company headquarters. They are connected over the Internet using a VPN (Virtual Private Network).

Random Stocking

The company's method of stocking their warehouses is complete random stocking. They have only four sizes of containers. They repackage everything that they receive into one of these four sizes of containers. When they package them, The BUSINESS EDGE produces a package label that includes the Part Number, Description Quantity, Lot Number, Location and a single Bar Code that identifies each unique package in the system.



Each label has a single bar code that identifies all aspects of the package, including Part Number, Quantity, Weight, Lot Number and Inventory Location. The system also prints a Receipt Label to be attached to the Receiver to confirm the arrival of the goods.

Bar Code Control

From then on, each time the package is handled, the single Bar Code is read to identify it. This eliminates human error. The system knows exactly where each package is, so there is no need to have the warehouses broken down into fastener size categories or product types. The BUSINESS EDGE tells the operator where the next available location of that size container is located. It is printed on the label so the person that is stocking the part simply follows the directions that are right on the package.

A Total System

When speaking about The BUSINESS EDGE and Computer Insights, Inc, he pointed out that the company is a 20-year-old family owned company. There are two Dennis Cowhey's there. When Bill brought up the systems designer and development manager, the younger Dennis Cowhey, Bill became very excited. He said, "The way Dennis has got this thing, it's very flexible. It's like he took the whole concept and sat

down and made it cohesive. So it's not - you do one thing in purchasing this way and you do a different thing in sales over here and you have to remember because they are different. Everything is the same; all the procedures are the same. All the logic is the same."

"So if you hire someone in the warehouse they work out. They learn to receive, they learn a little bit about



All products received are re-packaged into one of four container sizes. They are labeled with all needed identifying information including the unique bar code. Each package is "random stocked" into the next available location for that size package.

the computer system, and then once they have been with you for a while, and you say, gee, they have a good personality so you bring them into the order desk. When they go to do the sales the system is not any different; the logic is all the same. When you learn one part of The BUSINESS EDGE you learn the other. So that is the biggest, single difference between The BUSINESS EDGE and our old system is that it's more cohesive; it works better."

Lot Control

"We didn't have Lot Control, so that was something that was real important that was brought to the table. The bar coding — bingo, right there was very big — having all of that capability where you don't have 50 different bar codes on the package; you have one barcode that knows everything about the package. It knows what it is; it knows the quantity, it knows the lot number, it knows everything that there is to know about that product, how much it weighs, the whole thing. One barcode so your not saying now I've got to shoot the quantity, now I've got to shoot the lot number, now I've got to shoot the items and I've got to shoot all these different things. That was something I think Dennis did to make this smooth and to work better."

Branch Receiving Location

"Everything goes to what we call a receiving location; everything goes in and out of the branch receiving location. It really is an important aspect. Everything goes into that location and then its put away in a physical location, a different location. But when you have orders that you need to allocate, it goes out of the physical location and back to what we call the receiving location. So all your work always ends up in that location. If I want to see what is going on in San Diego, all I have to do is look to see what is in the receiving location. I know if they have parts there or why those parts are there. If they have not allocated them yet, they're waiting for something. They know they going to be asked about them. If there are any discrepancies at all, let's say you received those 10,000 pieces but in reality there is 9,500; that's where those 500 pieces are going to get trapped. If it's not out on allocation, it's going to be there. And I ask them, how come you haven't put those 500 pieces away; well they are not

there. OK, why aren't they there? Let's go back and look at the receiving log; you didn't count them right or whatever; he can adjust them out. You can trap everything in one spot, and management can view them, really easily each day. You can tell when somebody is



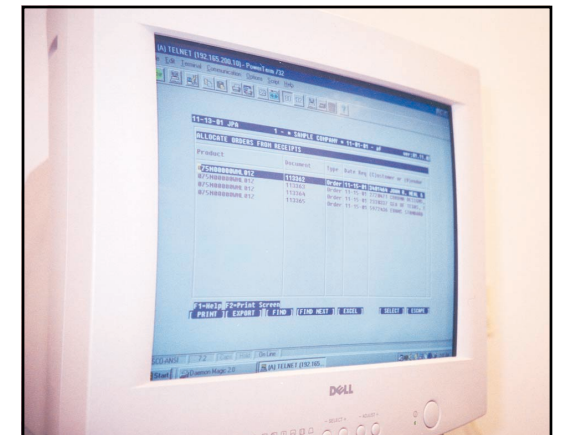
Allied Fasteners' new 24,000 square foot Headquarters building in McKinney, Texas

getting behind because their, what we call, restock or receiving location, is getting larger and larger and filling with more parts. Things are getting behind - they are not processing material fast enough. Its not getting put away - it's still sitting on the shipping line or the re-

ceiving line. One thing that they do is not ever let it sit long, because they know they're going to be asked about it. You can call up the other branches on the screen, same location and look at it; just go right through the list and you can tell; I don't have to be there to know if they're busy and things are backing up and where the problem is."

Conclusion

The Allied Fasteners formula for success is clear. Choose your customers wisely. Manage your inventory tightly. Use technology to eliminate errors and duplication and help your people do their jobs successfully. ●



The BUSINESS EDGE leads the operator through the shipping process. The office has selected these items for expediting and the system tells the warehouse person what to do.