DATA
SUPPORT

How barcodes can reduce cost of tool inventory

"Our budget is limited." "We do not have any discretionary funds to spend." "Why should I invest money to track items if my employees are doing their job correctly?" In the past year and a half we have heard these comments over and over.

It is our position that instituting inventory control on assets, tools or equipment is one of the best things an organization can do to reduce real cost at this time. A relatively small investment in an asset tracking system can have immediate impact on the bottom line.

Reduce or Eliminate Unnecessary Purchases

A request comes across your desk to purchase a tool that you believe you should have plenty of in inventory. How do you confirm this? Do you call managers at job sites and ask them to do a search? Do you look up past purchases and try to see where those tools were assigned? You may have had employee turnover and multiple job sites and the task of finding where the tool went is too time consuming and you need the tool to complete the job. So you buy a new one. This tool could cost thousands but the need to complete the work is more vital.

By applying a barcode to the tool and using a simple automated tracking system, you will know how many of the tools you have and where each is. Your decision to purchase tools and equipment is based on real data.

The key to this system being successful is simplicity. Your employees should not be asked to drill through a lot of computer screens just to check out a tool. A few simple barcode scans should be all you need to get the job done. All the systems from Data Support, Inc. are built with that in mind. We believe that you want your workers to be productive doing their jobs and not becoming computer operators.

Make Employees Accountable for Equipment

"I don't know who had that tool last but it is not working now" "I didn't use that tool" "I think another employee borrowed it but I don't remember" These are the kind of replies that make a running a business or department all the more difficult. Despite the fact that most employees are responsible and honest, their focus is not necessarily on the movement of tools they were issued.

Using a barcode system that assigns accountability to the usage of tools and equipment, employees are immediately more careful. You now know where your tools are and, just as important, who has them. If employees are aware that, when a tool is checked out to

them they are responsible for that tool, they become just as interested in inventory control as you are. They make sure that a tool can't be taken by another employee without that employee assigned responsibility in the system. One employee charge back for a lost tool will have an instant impact on the cost of inventory

The key, once again, is that the system must be easy to use and understand. There should be no excuse to circumvent the scanning procedure.

Manage Critical Maintenance Dates

"I went to use the tool and it is broken." "Isn't that piece of equipment covered by a warrantee?" "Don't we have a service agreement on that tool?" The answers to these questions have an obvious impact on the cost of tool inventory. The tool is a pure overhead cost item that is not helping the bottom line if it is not working.

A barcode system should include the capability of tracking critical dates regarding tools and equipment. These include the warrantee end date. Reports should be generated each month noting the tools and equipment that the warrantee end date is the next month. Managers should perform a quick inspection of the tools and equipment to see if any are in need of repair or replacement covered by the warrantee

Another critical date is scheduled maintenance dates. Equipment may need to be calibrated on a regular schedule. The barcode tool tracking system should record these dates and generate reports as to which items are to be serviced and where they are.

Finally a date that is often forgotten is the service contract end date. If equipment is important enough to be covered by a service contract, it is vital to know when that contract ends and where the tool is. It has been our experience that many organizations are paying for service contracts on tools they no longer have.

A well designed tool tracking system such as the Tool Hawk™ products from Data Support, Inc. can reduce the time and cost of doing business. Please feel free to contact us to see how we might be able to help your organization.