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## **Uncommon loyalty**

*In a highly competitive market, Iowa Machinery & Supply discovers that loyalty to suppliers results in loyal customers*

by Rich Vurva

Iowa Machinery believes that exhibiting loyalty to suppliers does more than just earn stronger support from those major vendors. It also translates into more loyal customers. Focusing their efforts on a handful of key suppliers enables sales and application specialists to spend more time helping customers improve their manufacturing or machining processes and less time shopping.

For the strategy to work, it's imperative to be aligned with best-in-class suppliers, says company president Darrell Randall.

"We're not just peddling products. We're out there solving problems. It's all part of the total package. We've got to be smart enough to make sure we're working for customers who understand that we can help them make their end product better, cheaper, faster. It's not about the low price," he says.

## **Tool management**

Although Iowa Machinery is considered the preferred supplier for about 18 companies – and has taken on crib management responsibilities for those customers – it has chosen not to bid on major integrated supply accounts.

The company recently installed an automated tool vending system for a customer with 25 CNC machining centers. The system eliminated the open bin approach used previously, which resulted in machine operators hoarding inserts and other tools at their work stations. Since installing Iscar's Matrix automated tool-dispensing system, inventory decreased as operators burned off supplies hidden in tool boxes.

"Once they knew it was in the machine and they could count on it being there, they began to trust the system and didn't hoard inventory," says DeBoef. "Now, they're grabbing one insert or one box of inserts instead of stocking up on just-in-case inventory."

The Matrix software automatically triggers reorders when inventory reaches a predetermined min./max. level, and DeBoef stocks the machine weekly. Like most companies today, employees at the machining shop wear several hats. Since the CNC programmer was also responsible for placing orders and generating quotes for new jobs, the Matrix system freed up his time. He can now focus on programming and quoting jobs instead of writing purchase orders.

Initially, the new system resulted in a reduction in orders because the customer now has a more accurate understanding of its real tool usage. Randall believes the company has been successful for more than 100 years because of an insistence on doing what's right for the customer.