

Division of Enterprise Technology (DET)

Lean Project Summary



Eliminating Excess Inventory at the Bureau of Publishing and Distribution (BPAD)

Problem Statement and Project Importance:

At the beginning of this project, BPAD had far more color paper inventory on hand than what was needed given the reorder lead times and demand for these products. Although most paper products can usually be ordered and received within 1 to 2 days, 77 percent of BPAD's products had a larger amount of inventory on hand than the total amount ordered by customers in the most recent fiscal year.

Since each pallet space could be rented to other agencies for \$15 per month, which is a value of \$180 per year, the monetary cost alone justified the need for this project. In addition to the potential cost savings, though, it was also apparent that inventory retrieval times could be improved as well.

Project Outcomes:

- Identified 40 pallet spaces of excess inventory, worth \$7,200 in annual opportunity cost, by comparing inventory and demand amounts in FY15.
- Made inventory retrieval more efficient by reorganizing a key inventory area to reduce walking distance and make products easier for employees to find.
- Made data-driven decision making easier by producing automatically generated, user-friendly visualizations built on custom SQL queries in Tableau.
- Established more consistent inventory levels by setting reorder points and determining the maximum amount of inventory to keep on hand for all color paper products.
- Increased employee satisfaction and safety by drastically reducing the need for employees to retrieve inventory with a portable, rolling staircase.
- Reduced training costs and improved safety by eliminating the need for multiple employees to use the forklift.
- Improved inventory tracking by reducing the possibility of employees opening multiple cases of a single product.

Status:

The inventory controls described in the project outcomes section have been in place since August 2015, and the excess color paper inventory is currently being removed through a variety of measures. Once the removal process is complete, the lessons learned also will be applied to the bureau's other products.

Contact Samuel Schmitt at Samuel.Schmitt@Wisconsin.gov if you have any questions on this lean project.

