

Tracking Your Fasteners

by:

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The Lowly Label

Labels Are An Afterthought

Fasteners are an afterthought for your customers, and labels are an afterthought for many Fastener Distributors. Everyone can easily see the problems that lack of planning and professional attention cause for your customers. They don't have the right parts in the right place, and they run out of critical parts that should be in stock. Products are sometimes poorly marked so even though they have them, they don't know it. It goes on and on. Then why is it that I find so many Fastener Distributors that treat labels as a necessary evil and an afterthought?

Labels Are Part of the System

The labels should be part of a coordinated system that is designed to serve the customer with the most professional service. Way too often, when I ask prospective clients about how they do their labeling, they tell me stories that I have a hard time understanding.

Some of the things that I am told include:

- We have a label system that is separate from our ERP system, and the person in the warehouse is responsible for getting the labels right.
- We use the **Able Label** system, but it is not integrated into our ERP System.
- We hand write labels unless there is a large number of them and then we give them to an Admin to enter them into an Avery Label program so that they can be printed in sheets.
- We don't label anything that comes in. The Vendor's labels are good enough for us.
- We don't label any packages except for the outside shipping label.
- We don't want to spend the money needed for a specialized label printer, so we print them out of Word or Excel.

Money Leak

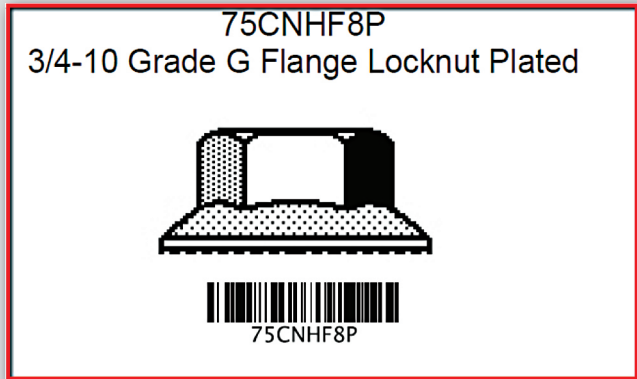
Each of these excuses exposes a "money leak" in the

Fastener Distributor's operation. Let's take them one at a time:

Separate Label System

If there is a separate label system that is managed by a warehouse person, there are numerous weak aspects to the arrangement. Warehouse personnel change frequently and training is a big issue. Products that are incorrectly labeled wreak havoc on your customers and wrong labels alone could cause you to lose a big customer. Even if you have a long-time employee who has the responsibility, what happens when they go on vacation or get sick? Who fills in for them? How much training does the substitute have?

Stand-Alone Able Label System



Able Label has been a long-time vendor to the fastener industry and Able Label has a database of images that represent most common types of bolts that can be printed quickly and efficiently on most labels. The saying, "a picture is worth 1000 words", is quite true here. Knowing the shape and attributes of the product in the box can save time and reduce errors. Able Label sells its Alwin, Windows®-based label system as a stand-alone system for the industry. It is used extensively for Customer Package Labels and some companies use it for their internal Stocking Labels.

Integrated Able Label

At **Computer Insights**, we have integrated the Able Label capabilities into our fastener-specific ERP system, The Business Edge. Combining the image with bar coding and then producing the label directly from The Business Edge enforces accuracy and saves time.

Hand-Written Labels

A surprising number of fastener distributors are still hand

writing labels. These are naturally not integrated into any system, but they have a few added disadvantages:

- There is no “system” built around them so quality control is a nightmare.
- They are very time consuming to produce.
- They can delay an entire shipment.
- They are often illegible.
- They are unprofessional looking.

Some labels are printed in sheets by an admin that enters the information anew each time a label needs to be printed. These look reasonably professional, but they are still error prone and time consuming to produce. Since they are not connected to any ERP system, they do not contribute in any way to internal efficiency.

Using the Vendor’s Labels

Some people use the vendor labels for their stocking label identification. They don’t want to handle the individual boxes or they don’t want to invest the needed money in equipment and time to print internal labels. The vendor labels don’t help at all if the Fastener Distributor is using its own part numbers (this includes a vast majority of distributors). They generally look professional and they are also generally easy to read (hint, hint). This still doesn’t help with the Fastener Distributor’s internal system. They can’t be readily used in a Wireless Warehouse system for example.

Various Types of Labeling

Sometimes the product itself will dictate how it should be labeled. Some things that are bought and sold by the pallet should be labeled only at the pallet level.

Other items that are brought in on a pallet, but sold by the box or smaller quantities, can be labeled at the pallet level. At the same time, the labels for the individual boxes can be placed on the pallet so that they can be affixed when the box is removed from the pallet.

Labels as a Product Feature


On the other hand, many of our clients use customer package labels as a feature of their product/service offering. These Fastener Distributors will actually create bin labels with unique numbers so that the vendor salespeople can take a reorder with a scanner and their iPhone or iPad and submit it instantly. Still other of our clients go so far as to produce shelf labels and customer resale labels as a service to their customers. Since these labels are all created out of the system, the accuracy is assured and

the consistent quality look shows up across the board.

Customer Shipping Labels Only

Fastener Distributors that only print shipping labels for their customers are costing their customers money. The customers have to spend extra time checking in and receiving their fasteners. In this situation, they are sure to find more errors than they would if the vendor had a well-organized system. Of course, each time they find an error, the vendor’s credibility slips a little more until one day they find that they are a former vendor.

Don’t Want to Spend the Money

Those companies that tell me that they don’t want to spend the money on labeling are saying that they don’t care about the future of their business. The investment in equipment, labels and supplies is insignificant compared to the risk created by not using proper labelling procedures. At a minimum, every Fastener Distributor should be putting a professional looking label on every package. I believe that all those labels should also be produced by the company’s internal ERP System for accuracy, consistency and efficiency. It is what customers expect and they get it from most other vendors. www.ci-inc.com 

Dennis, R. Cowhey, COB – Started **Computer Insights** in 1981. He served for many years on the **Illinois CPA Society Computer Information Systems Committee**. He is a frequent author of articles for industry trade magazines. Before starting Computer Insights, he served as Central District Manager for a division of **Litton Industries** (now part of **Rockwell**), that offered inventory control systems to retailers. Prior to that, he was a Credit and Financial Analyst for National Credit Office division of **Dun & Bradstreet, Inc.** Cowhey received his education at **Chicago City College** and **DePaul University**. Computer Insights provides The Business Edge software for efficient tracking of fasteners. www.ci-inc.com