

## **Bloomfield Businesses See Benefits of Lean Inventory Management**

*By Claudia Infante, Projects Coordinator, New Mexico Manufacturing Extension Partnership*

Irene Salasar of Twin Stars Ltd. and Cari Drake of Air Star Inc. had a business-to-business relationship for years but didn't meet in person until both attended an October class on inventory control sponsored by the New Mexico Manufacturing Extension Partnership.

Salasar is the warehouse manager at Twin Stars, and Drake owns Air Star with her husband, Kenneth. Both Bloomfield businesses supply parts and services to the oil and gas industry, and both began working with Denise Williams, MEP's local representative, to improve their inventory management systems.



Interventions began with site visits; separate classroom sessions on lean manufacturing principles helped managers and employees compare the inventory management ideal against their internal procedures.

### **The Inventory Enigma**

Twin Stars, in business since 1991, sells, maintains and repairs compressors at its Bloomfield site and a satellite shop in Artesia. About 60 people work in the warehouse and as mechanics in the compressor repair shop and the field.

In her first year as warehouse manager, Salasar noticed problems that others didn't see. Working with MEP further helped her see the system from outside, deepening her understanding of its strengths and challenges.

She began moving obsolete inventory to create space for products in greater demand, shifting bestselling products closer to the point of sale, surveying customers about their product priorities, and conducting regular cycle counts to test the system's integrity. Sales are up, she said, and the company is attracting more repeat business.

Air Star, launched in 1984, is a smaller company, employing about a dozen people. It performs crane inspections and equipment repairs in the field and began supplying parts in 2005. "We always just fixed broken stuff," Kenneth Drake said. "We're relatively new to supplies."

MEP helped company owners and warehouse personnel improve communication about Air Star's inventory challenges. "Her job," Drake said of Williams, "isn't to teach us how to put widgets in a bin; it's how to get us to communicate at the same level."

Inventory presents complex challenges for all businesses that sell retail products or build products from raw materials, Williams said. Poor monitoring hurts profits in numerous ways — most obviously in sales if a part isn't in stock or can't be found when needed. Stagnant inventory represents money that's unavailable for other needs and it's easily damaged if moved frequently.

Lean inventory management, by contrast, helps a business improve its competitiveness by reducing waste and basing production or stocking on actual demand rather than forecasts.

## Moving Forward

Weekly meetings of warehouse workers and sales staff to discuss purchase orders have improved inventory awareness at Twin Stars, Salasar said. And a new software system improves tracking. "I would recommend this training to anyone," Salasar said.

Meanwhile, Air Star has fine-tuned its ordering procedures to reduce dead inventory and ensure product availability. Communication between outside-sales staff and the main office has improved since the company identified one employee as the point person for procurement.

"We're not working with a template," Williams said. "We see what exists and try to evaluate what businesses need." For more information about MEP, call 505-262-0921 or visit [www.newmexicomep.org](http://www.newmexicomep.org).

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