

“With pre-kitting, Vendable can service 30% more machines in the same amount of time.”

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Vendable Uses Advanced Software Tools from Streamware to Help Expand its Business

The Company

Terry Durling and Tom Bucher co-founded Vendable Systems, Inc. in 1983 in York County, SC. Two decades later, Vendable is a 16-route full-line vending and OCS company with a diverse and growing client base in the industrial, schools, and office markets. Vendable has grown significantly in recent years, and now covers Charleston and Columbia, South Carolina in addition to its home base of York County.

The Problem

In 2000, Bucher and Durling decided to upgrade Vendable’s software management system. They were dissatisfied with the older system’s limited capabilities regarding DEX and cash and inventory control. After conducting a review, Vendable selected VendMAX from CRANE Streamware Corporation.

For several years, Vendable took full advantage of the core VendMAX product, including tools for cash accountability, item-level merchandising, and inventory control. Prior to working with Streamware, the company used route tickets and manual entry, requiring a full-time person in the money room. With VendMAX, Vendable has gained enormous efficiencies and, by implementing a paperless process, reduced employee time to 12-15 hours per week.

DEXing their machines has also been a great benefit. As Durling says, it’s the “only thing I’ve ever seen that takes the route person out of the equation. You simply can’t mess up meter readings or give wrong information.” With DEX, instead of waiting several days for money to be processed, Durling can now quickly check his machines for overages and shortages. **Shortages, in fact, have been virtually eliminated—reduced to 1/4 of 1 percent.**

Durling and Bucher’s success with VendMAX prompted them to go beyond the basics. They recognized that Vendable’s continued growth—including expansion to other parts of the state—would depend on implementing more advanced technology tools.

The Streamware Solution

The advanced technology tools from Streamware that Vendable has implemented include forecasting, pre-kitting, and inventory control and ordering.

Forecasting became an essential tool for Vendable when it expanded its operations to Columbia, SC, 70 miles from the company’s distribution center. Sending a giant “warehouse on wheels” 140 miles round trip to service machines would have been prohibitively expensive. Using VendMAX’s forecasting tool, the owners know exactly how to re-stock each machine and can send a small van (that gets 27 miles to the gallon!) to service the Columbia accounts.

With the precision of VendMAX’s forecasting tools, Vendable trucks go out only with the product they need for that day and come back empty. This saves the company gas and vehicle wear and tear while reducing the amount of capital tied up in inventory.

Solution cont.

Vendable has begun **pre-kitting** on selected routes, allowing the company to **service 30% more machines** in the same amount of time. The route drivers currently do the pre-kitting themselves, setting up the delivery order in advance based on each machine's forecast. As Vendable expands pre-kitting to additional routes, the owners will hire a "pre-kitter," whose labor costs will pale in comparison to the increased profitability pre-kitting will bring.

In the warehouse, Vendable is using Streamware's advanced **inventory control and ordering** tools. Every item in the warehouse is bar-coded and, in just 30 minutes a day, the entire warehouse is inventoried, by item, helping to pinpoint where a shortage or overage may be.

Following the inventory, the warehouse manager can issue a purchase order at any time for any vendor simply by hitting "purchase order request" in the software.

Results

Vendable has grown steadily over the years, thanks to Durling, Bucher, and their team's commitment to customer service and smart business management. By using technology wisely, Vendable has successfully expanded beyond its home region.

Bucher says VendMAX has had a significant impact on the company's cost of goods. "Before the software was in place, company-wide cost of goods were running 51-52% on average and it was never a steady month-to-month figure. The information was also delayed and hard to act on," explains Bucher.

Since VendMAX has been in place, Bucher adds, "Cost of goods company-wide runs a consistent 46% and if there is a problem we can find it almost the same day. **That 6% reduction goes straight to the bottom line.**"

Durling notes, "We knew we had loss problems, now I know exactly what was going on. By improving cash and product accountability and boosting efficiencies, Vendable has enjoyed increased profitability."