

Falcon Fastening Solutions Saves Manufacturers 14 Percent in 2015

Falcon Fastening Solutions, Inc., a cost-reduction specialist for original equipment manufacturers (OEMs) using production components in high-volume, reports an average customer cost savings of 14.4 percent for 2015.

Falcon's services reduce waste from an OEM's supply chain via vendor managed inventory (VMI) programs. These VMI programs are tailored specifically for each facility's needs and goals associated with the management of their low-value, high-volume production parts.

"US manufacturers are great at making high-quality products," explains Giovanni Cespedes, Vice President of Falcon Fastening Solutions. "We enable these manufacturers to do what they do best, with greater efficiency and more profit. Managing production inventory is our core competency."

Falcon released an infographic based upon documented cost savings for their customers in 2015. The infographic illustrates the hidden costs associated with procuring and managing production parts as well as the areas where Falcon's services were able to reduce cost within their customer base.

"The direct acquisition cost, or piece price, of the typical production component only accounts for 15 percent of the total cost of ownership (TCO)," explains Don Nowak, President and Owner of Falcon. "The other 85 percent of TCO is tied up in hidden costs like labor, freight, inventory-carrying costs, error-related costs, safety stock, and so on. We reduce our customer's costs in all of these areas including the piece price."

For 2015, Falcon reports an average customer savings of 2.5 percent on labor-related costs such as purchasing, receiving/stocking, accounting, inspection and quality control activities, etc. Freight savings were an additional 2.9 percent average savings. Error-related costs, such as down time, poor quality, expedites and item obsolescence accounted for another 3.5 percent of the average customer savings. Inventory carrying cost savings were the largest portion of savings at 4.4 percent and the piece price savings added another 1.1 percent to the average total cost savings for customers in 2015.

In addition to these savings, Falcon carries a safety stock of 3 months of inventory on hand in their local warehouse and another 7.2 months of inventory on order for customers taking advantage of their Reliable Stock™ vendor managed inventory programs. Falcon also reports a quality rating of 99.9% and an on-time delivery rate of 99.3% for their customers in 2015.

Falcon is pleased to release this annual documented savings information for the second consecutive year. Customers taking advantage of Falcon's VMI programs receive individual cost savings reports on a quarterly basis at an account level. To learn more about Falcon's vendor managed inventory programs, please visit: <http://falconfastening.com/reliable-stock-brochure-download/>.

About Falcon Fastening Solutions, Inc.

Falcon Fastening Solutions, Inc. is a privately owned industrial supplier of fasteners and other class C production components used in high-volume manufacturing assembly.

Falcon specializes in customized supply chain solutions that support lean principles in manufacturing to reduce cost and improve efficiency for its customers.

Founded over 35 years ago, Falcon began as an industrial distributor to the thriving manufacturing facilities of the Carolinas. To meet the needs of its growing customer base, Falcon expanded the company's services with its vendor managed inventory (VMI) program. Today, the Reliable Stock™ VMI program brings customer results of zero production down time, and has allowed Falcon to shift from a product supplier to a true partner.

In recent years, Falcon added two customer-based branches in the Carolinas and acquired Kentucky-based C&M Solutions, now Falcon Fastening Solutions, Inc. of Louisville, KY. To learn more about Falcon Fastening Solutions, Inc., please visit <http://falconfastening.com>, or call 1.800.438.0332.