

FROMM KEEPS READING BAKERY SYSTEMS STOCKED THROUGH CONSIGNMENT AGREEMENT



Reading Bakery Systems (RBS) is an original equipment manufacturer (OEM) of bakery equipment located in Robesonia, Pennsylvania. Founded in 1947, it provides turnkey processing systems and support services for food processing facilities in the snack food industry around the world.

PROBLEM

Historically, RBS had always ordered materials on a per-job basis. This meant its purchasing department was frequently sending purchase orders for the same parts—sometimes only hours after the last one. Each order meant additional time spent waiting for the parts to arrive, which slowed down the manufacturing process. It wasn't efficient, and RBS came to Fromm to discuss solutions that could expedite their process and reduce their number of purchase orders.

SOLUTION

Fromm suggested initiating a consignment agreement with RBS. Under this agreement, frequently used electrical parts are stocked on location at RBS, where workers can access them as needed. Once a week, RBS sends a usage report to Fromm of what materials were used and Fromm bills them accordingly. Fromm manages the inventory stocked at RBS and replenishes it, so RBS never has to worry about consigned parts being out of stock.

RESULT

After entering a consignment agreement with Fromm, RBS was able to reduce its purchase order lines by 372 lines over the course of two months. RBS was able to save money by making fewer orders and also ease the burden on RBS's purchasing department. Consignment also ensured RBS workers always had immediate access to frequently used electrical parts, leading to quicker turnaround times for its customers.