

ASSET AND TOOL TRACKING



PROBLEM

The existing asset and tool tracking process is performed manually at company X. This company has a fast-paced production department producing thousands of plastic parts daily.

Here are some of the challenges with the current asset tracking system:

- The constant equipment use requires timely service and replacement of parts. A team of specialized technicians ensure that production is not affected by minimizing downtime.
- The existing asset and tool tracking process requires a dedicated staff. Assets and tools are difficult to locate. Some assets cannot be distinguished, causing lost assets and asset value that ultimately affects facility profitability.
- Other concerns include, delayed purchase orders, which means the finance department must conduct frequent asset counts, resulting in additional opportunity cost and inefficiency.
- Staff spends over 3,000 hours per year managing the assets throughout the plant, equating to over \$90,000 a year. Over the last 5 years, total tool tracking expense was \$450,000.

KEY ISSUES

The existing asset and tool tracking system is inefficient and costly. The periodic inventory cycle count does not detect discrepancies, which means that the company has inconsistencies between fixed assets and physical assets on the production floor. This leads to difficulty in establishing a monetary value for all of the different assets. With each department establishing their own independent, manual tracking system—and little to no communication or data exchange between departments—the company is losing time and money on a system that is ineffective.

This lack of real-time visibility increases the risk of lost assets and creates a problematic and unsustainable system.

SOLUTION

The RFID-based solution will reduce time and resources spent locating assets and tools, improved visibility of asset movement and utilization, an increase in integrity and accuracy of asset value accounting, improved asset tracking data collection, and standardize the asset management process.

Having asset tracking data available creates the opportunity to generate business decisions.

SUMMARY

Tracking Assets with RFID tags is the lowest cost option. RFID tags provide the ability to track assets and tools. Identifying where assets and tools are located allows for regular equipment maintenance, movement tracking, more accurate inventory management, and lifecycle tracking.

Asset tracking develops an IoT environment where equipment, devices and assets are connected in a network. Connected networks generate data and analytics contributing to business decisions.

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