Electronic Kanban

Automatic Materials and Inventory Replenishing for a Demand-Driven Environment

The essence of Kanban is to have material delivered to a location only when it is needed so that excess inventory is never created. Historically, Kanban has been an internal manufacturing technique, used to improve the efficiency of material movement. It is one of the more visible tools supporting a Lean Manufacturing environment. As operations expand and work is distributed to suppliers and partners, the need for an expansion of this capability is apparent.
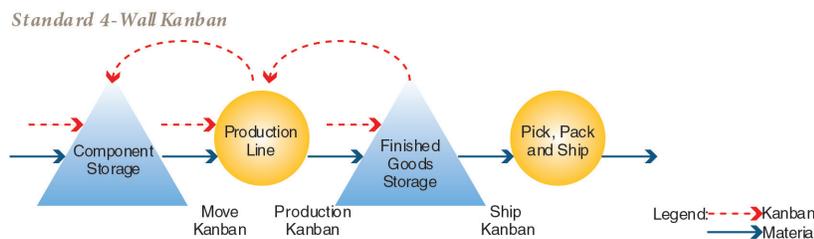
GLOVIA G2 Electronic Kanban can be executed as an integral part of the supply chain. It provides the ability to monitor inventory levels from suppliers and establishes triggers to automatically replenish inventory when a predefined minimum for each item is reached.

GLOVIA G2 Electronic Kanban provides important inventory control benefits, including:

- Full automation, which reduces work and increases accuracy
- Minimal amount of inventory at any given time
- Auto-replenishment to suppliers, reducing planning and purchase order cycle
- Customer consumption driven processes
- Excellent customer service with minimal effort
- Ability to work with multiple companies across multiple continents

Kanban Processing in GLOVIA G2
Consider the standard Kanban graphic

Standard 4-Wall Kanban

The graphic illustrates the monitoring of material flow on the plant floor and initiates an inventory 'pull' when additional material is needed making for a clean, efficient and effective process. With Electronic Kanban the triggering of the Kanban pull is done automatically to enable you to focus on the material movement while the system manages the data movement. Glovia does this by establishing triggers that are executed when a pre-defined minimum is reached. GLOVIA G2 knows to create a Kanban pull for the predefined quantity of material from the stores location to the predefined location on the factory floor.

Beyond the Four Walls - Suppliers & Customers
Now consider this functionality when you have open communication channels with suppliers – as though they were part of your stockroom. This is Kanban supply from beyond the four walls.
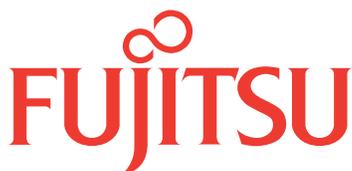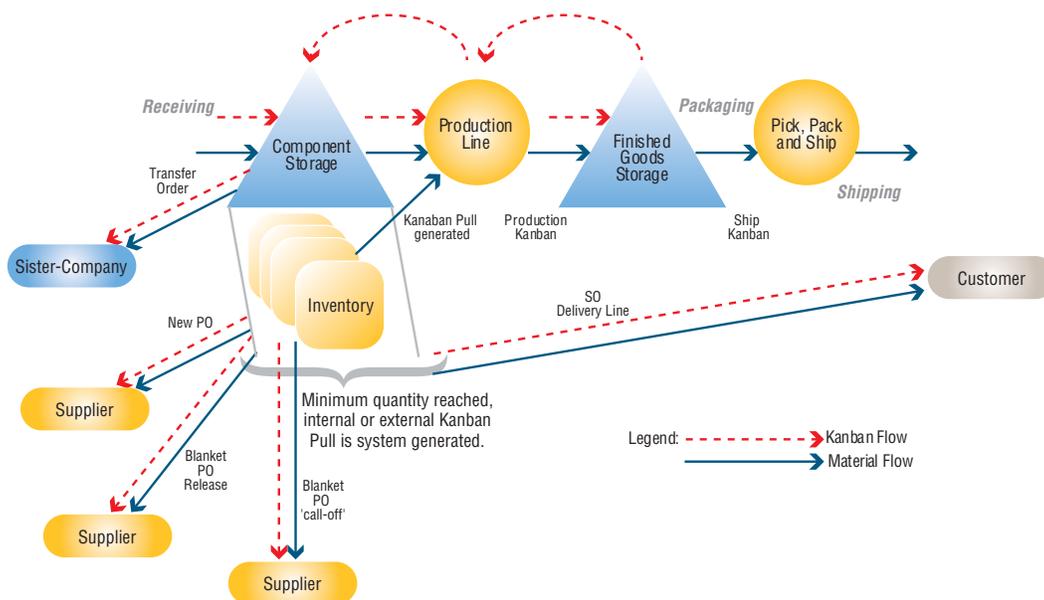
Similar to purchased item data, detail data is maintained in the item/customer cross-reference. To further support customer's Lean cost saving efforts, inventory can be consigned at your customer site until use.

GLOVIA G2 Electronic Kanban establishes the same auto-triggers for additional material from suppliers. Just as with Electronic Kanban within the four walls, Glovia manages the data manipulation by triggering the proper initiator to the supplier. The data required for this execution, including pricing details, is simply maintained in the item/supplier cross-reference.

This can also be done with supplier consigned inventory or items that sit within your four walls, but are still considered the supplier's until they are actually used. Financial records are maintained and invoicing is not triggered until the material is moved to a 'non-consigned' location.

Now, take this even one step further: imagine doing the same thing for your customers. Imagine maintaining supplies at the customer site, where GLOVIA G2 can control quantity and trigger a sales order delivery line when the predefined minimum is reached. Glovia enables this with web-based customer self-service modules.

GLOVIA G2's Electronic Kanban can add significant value to the supply chain and support efforts for Lean operations by optimizing efficiency and cost effectiveness of materials and their movement: from 4-wall, to supplier, to supplier consigned, to customer, to customer consigned, Electronic Kanban can manage it all.