

Peterson gets control of consignment inventory, doubles off-site sales



Consignment creates a challenge

In business since 1936, Peterson Tractor Company attributes its success to focusing on convenience and strong customer relationships. As a part of this

strategy, Peterson provides key customers an easy way to acquire the parts they need to maintain and repair Caterpillar equipment.

Peterson's customers are offered on-site inventory service, designed to eliminate down-time spent waiting for parts to be delivered. Customers purchase parts inventory and store it at their own facilities, while Peterson continues to manage and replenish inventory levels.

Peterson sought to expand on-site service by offering consignment sales, in which inventory is stored at the customer's site, but still owned and managed by Peterson.

To launch the consignment sales program, Peterson needed a system to keep track of consignment parts and manage proper inventory levels, even though the items would be located at customers' sites. Peterson's existing Dealer Business System (DBS) did not use barcodes, so Peterson set out to find a barcoding solution that was easy to use, designed for mobility and would interface with DBS.

"Consignment parts are of great value to our customers and a big competitive advantage for us," said Bruno Muzzi, product support and services representative, and manager for the consignment business at Peterson. "We wanted to offer this service to customers, but first needed to develop a barcode-based system for tracking and re-stocking inventory at our customers' locations."

A remote control for off-site inventory

Peterson downloaded a trial version of Wasp Inventory Control software. After two months of testing, the company purchased the Enterprise version of the software, along with four Wasp WDT3200 mobile scanning devices.

At each customer location, barcode labels were affixed to the shelves storing replacement parts. These barcode labels specified the part number and name, as well as minimum and maximum stock levels.



CASE STUDY AT A GLANCE...

▶ INDUSTRY

Heavy equipment sales & service

▶ COMPANY PROFILE

Peterson Tractor Company, a Caterpillar dealer, sells Caterpillar equipment and parts to a territory of 30,000 square miles in Northern California. The dealer's 10 locations also provide equipment repair and service.

▶ SITUATION

Peterson differentiates itself with unique and valuable customer service offerings. The company wanted to introduce consignment sales at key customer sites, but needed to effectively track, stock and manage this and other off-site inventory.

▶ RESULTS

With Wasp Inventory Control, Peterson can now track and manage off-site inventory, including consignment items at customer locations. As a result, the company has been able to improve customer service and offer consignment sales to twice as many customers as originally planned.

▶ PRODUCTS USED

- Wasp InventoryControl Enterprise
- Wasp WDT32000
- Wasp WPL305 Barcode Printer



When a Peterson commodity representative visits the site, he performs a visual inventory check to determine whether any parts are at or below the required minimum stock level. If so, he uses the mobile scanning device to scan that item's barcode and type in the number of items that have been used.

When he returns to the office, the commodity representative downloads the scanned data from the mobile device to his laptop. The laptop is connected via the network to the corporate server, where the central Inventory Control database resides. Once the data is uploaded to the central server, it then synchronizes the new data across all notebooks that use Wasp Inventory Control.

The commodity representative easily generates a report of inventory removed from the shelves at each customer site. This report is used to update the existing DBS system, triggering invoices to bill customers for the inventory used. Additionally, replacement inventory is provided to the commodity representative to deliver to the off-site inventory. The representative then updates the off-site inventory record with the mobile scanning device to reflect restocking.

Doubling sales, improving customer service

Thanks to Wasp Inventory Control, Peterson was able to introduce the consignment service to twice as many customers as planned. The convenience of the consignment service has increased customer satisfaction and set Peterson apart from its competitors.

Currently, the solution tracks more than 1,000 line items, with more than 8,000 total items on consignment. These parts are located at 15 different sites across multiple locations. Peterson is also using Wasp Inventory Control to manage non-consignment inventory at seven additional locations. This tracking functionality was integral to Peterson's success with Inventory Control, as was Wasp's technical support.

"Wasp's tech support team listened and addressed our issues," Muzzi said. "In fact, a key reason we have stuck with Wasp is its high-quality, free technical support."

Pleased with the results of implementing Inventory Control, Muzzi concluded, "Now we have a way to effectively track off-site inventory, which allows us to provide this unique consignment service to our customers. Not only are we providing better, more convenient service to our customers, we are profitably growing our service business. And that's great news in today's market."



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Bruno Muzzi
Manager for the consignment business at Peterson