

CASE STUDY

HAYWARD INDUSTRIES USES LEAN MANUFACTURING TO TRIM COSTS



SUMMARY

Customer

Hayward Industries

Business

Manufacturer of in-ground and above-ground pool heaters

Length of Service

11 years

Number of Parts

105 active parts

Number of Production Lines

Three

Locations Served

Six supermarkets and one bulk area for kit storage



Anixter's supply chain leverages vendor-managed inventory strategies to streamline business.

Hayward Industries, Inc. is the largest manufacturer of residential swimming pool equipment in the world. Headquartered in Elizabeth, New Jersey, Hayward designs and markets a complete line of state-of-the-art, energy-efficient residential pool equipment. With a sales organization stretching throughout the U.S., Canada and Europe, Hayward is able to work closely with its distributors and more than 3,000 partners to support millions of satisfied pool owners. Hayward also markets its products in Asia, Australia, Latin America and the Middle East through its subsidiary and via a network of distributors.

They have embraced lean sigma manufacturing to realize significant cost reductions, enhanced quality and improved customer service. For example, the company employs a "customer intimacy" strategy that positions Hayward as a service-oriented business, rather than a hardware-centered organization. This focus helps Hayward to develop deeper and broader customer relationships while offering value-added service for every customer.

Managing Inventory, Completely

Anixter has been helping Hayward Industries achieve its manufacturing goals for the past 11 years. By providing 105 active parts to three production lines, Anixter has implemented a complete vendor-managed inventory program from a centrally located distribution facility that services Hayward's production lines on a daily basis. Anixter is able to position inventory closest to its point of use because it has numerous facilities located across the U.S. This allows Anixter to be responsive and flexible to meet Hayward's changing production schedules.

Each day, an Anixter associate replenishes points for bulk stock areas and retrieves empty bins. After filling the empty bins with the required stock, the employee identifies which bulk stock items are required and creates an order to be filled the following day. With more than 40,000 pool heaters produced each year, Anixter delivers daily consumer kits to streamline production.

New Product Development

Hayward was developing a new product and asked Anixter to be involved. The product, which was purchased from a Canadian company, was integrated into Hayward's plant. Anixter participated in a Kaizan event to make certain they had full engineering support and product supply throughout the transition. Anixter recommended they use a two-bin stock replenishment system, and after transitioning to the new product line, Hayward awarded the supply of every new fastener for the product line to Anixter.

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Weathering the Global Economy

When economic climates put pressure on Hayward to remain profitable, Anixter responded by creating a solution that saved space while preserving productivity. When production requirements slowed, Hayward wanted to create more opportunity by opening up a production room in its current facility to encourage new business. Anixter recommended Hayward shift its kitting responsibilities to Anixter, which would provide printed material, labels and nontraditional fasteners in a kit to Hayward's production facility. Anixter kits and delivers the materials from its warehouse to a central location at its facility, which allows Hayward to open up a significant amount of production space to entice more manufacturing.

Significant Benefits and Returns

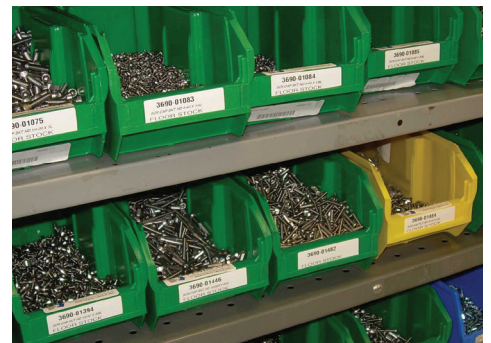
Through a broadening of its vendor-managed inventory scope to include nontraditional fasteners, printed material, labels and kitted materials, Anixter has supported Hayward Industries in the areas of purchasing, design engineering and manufacturing. Anixter has worked to integrate its supply chain with Hayward's to secure a long-term business relationship that reduces costs, creates innovative supply solutions and streamlines production. By working closely with Hayward Industries over the last 11 years and providing additional value-added services, Anixter has played a key role in making them more productive.

Direct Line Feed (DLF) and Just-in-Time Systems (JIT)

DLF/JIT is an inventory management system designed to keep component supply and demand at optimum levels. From supply and inventory checks to replenishment, management and reporting, every aspect is managed by Anixter so there is no drain on internal production resources.

Advantages to the customer include:

- Reduced capital investment in components and associated costs
- Increased facility space
- Increased efficiency by freeing up workforce and facilitating the redeployment of labor
- Improved single point of control for all material receipt, storage and deployment and one consolidated monthly invoice
- Elimination of production line shortages and delays.



NUMBER OF
EMPLOYEES
Approximately
8,200

APPROXIMATELY
100,000
CUSTOMERS

APPROXIMATELY
450,000
PRODUCTS

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