



**MACHINE TOOLS SUPPLY**

A DISTRIBUTION **NOW** COMPANY

# ***MACHINE TOOLS SUPPLY & MANUFACTURING SERVICES***

**REDUCING TOTAL COST WHILE  
ACHIEVING MANUFACTURING EXCELLENCE**





Machine Tools Supply (MTS), a DistributionNOW Company, is an industry leading supplier of cutting tools and accessories, abrasives, metalworking fluids, safety, precision measurement and general MRO (maintenance, repair, operating) supplies to manufacturers in the aerospace, energy, automotive, medical, fluid control, and other industrial markets.

MTS has provided supply chain management services to industry for over twenty years and helped develop the technology that became the AutoCrib® industrial vending system. Today we have a global footprint of over 150 customer manufacturing sites across North America as well as the Pacific Rim and Europe. Machine Tools Supply is a wholly owned subsidiary of NOW Inc., a multi-billion dollar, publicly traded global enterprise (NYSE:DNOW) with approximately 285 facilities in more than 20 countries stocking over 300,000 diverse products.

MTS is committed to delivering practical, tangible solutions to each customer that lower their total cost of ownership for MRO supplies by streamlining the procurement process, reducing total inventory investment and enhancing manufacturing productivity while reducing costs. We are a market leader in developing and managing comprehensive automated crib and point-of-use inventory management solutions using state-of-the-art software and industrial vending; the utilization of advanced analytics to provide actionable customer data; and providing technical product support.

MTS has access to virtually any product brand and we are the proud recipient of several industry awards and recognitions including Industrial Supply Association's "Distributor of the Year", "Most Progressive Distributor", "AutoCrib Premier Distributor" designation for over 10 years. In addition we are proud to have supplier recognition for continuous improvement and cost reduction efforts from Boeing, Northrup Grumman, Gulfstream and others.

Customers partnering with MTS typically realize a 25–30% first year reduction in the total cost of ownership for tooling and MRO consumables.



*We have been a recognized as a Premier Distributor of AutoCrib industrial vending machines every year the award has been designated.*



## Total Solution Partner

Machine Tools Supply (MTS) specializes in optimizing metal cutting/finishing processes by offering comprehensive solutions for all industrial market segments and workpiece materials. Whether it's cutting tools, abrasives, metal working fluids, work holding, tool holding, precision measuring or safety supplies, MTS has experts on staff to assist you in optimizing your production processes. You can be assured that you will get the best total solution from one source.

## Becoming Lean and Competitive

MTS's primary objective is to improve the competitiveness of our customers by increasing their efficiency and driving down costs. Process optimization, tooling solutions, new technologies and best practice training and education are an important part of Machine Tools Supply's focus. We understand that the best designed tool can't achieve its full potential if all elements of the process, including a properly trained operator, aren't considered.

## A Systems Approach to Optimizing Processes

To produce a component at the lowest possible cost, you need the best possible combination of machinery, work holding, tool holding, cutting tools, cutting fluid and machining parameters. Machine Tools Supply will systematically analyze each aspect of a current production process and develop solutions to improve each element in order to achieve the optimal overall process, thereby considerably reducing tooling costs and machining time and increasing throughput and profitability. Using our *Value Added Analysis* process, MTS will document all changes to the manufacturing process, and the resulting savings, as part of our continuous improvement/cost reduction efforts.



## Custom/Special Tools

Many of today's machining projects require non-standard tooling. Having access to a vast resource of custom tool manufacturers, MTS can procure tooling based on your tool print, or assist in engineering application specific tools.

All tools are developed and manufactured using the latest technology and geometries. Radius grinds, altered standards, custom tools in HSS, cobalt, carbide and PCD as well as full special indexable tooling can be provided.

## Tool Repair and Reconditioning

MTS understands that the right tool at the right price can make a significant impact to reducing tooling costs. Using local regrind facilities and the original factory reconditioning programs we can offer quality regrind and repair service for all tooling, often at less than half the cost of a new tool. For cutting tools with a set life cycle, our system counts how many times a tool has been reground, and gives an alert when it must be discarded at end of life.





### Fluid Care and Maintenance

Machine Tools Supply provides on-site industrial fluid maintenance programs, which include fluid identification and cataloging, disposal, monitoring and analysis, optimization, machine cleaning, lab reporting, and employee training. Our fluid care services can make your facility safer, healthier, and more productive.

### Tooling Identification, Cataloging and Tracking Costs

MTS will work with your manufacturing and engineering teams to identify and catalog all tooling assets to ensure utilization of existing items before purchasing replacements.

We help you understand exactly where your assets are: who the asset has been assigned to, what repairs are costing you, what types of repairs were performed, where the assets are assigned, when the assets were checked out, when they are due back, when inspections were completed and repairs made, and why repair costs may be higher on certain assets.

### Repackaging of Product for Dispensing and Optimal Pack Size

MTS is the market leader in custom packaging solutions, especially cutting tools, to meet the specific needs of each value stream. MTS will design the right dispensing requirements for each location and custom package the material in optimal point of use quantities.

### Additional Services

At Machine Tools Supply, we are dedicated to offering the services necessary for our customers' manufacturing facilities continued efficient operations. We actively work with each customer to explore such opportunities.





## The Right Products, Right When You Need Them

MTS recognizes that the best products don't benefit our customers if they aren't readily available when needed. That's why effective inventory management is a cornerstone of our business. Not only must inventory be available when needed, the cost to ensure such availability must be reasonable.

MTS' inventory management programs are tailored to meet each customer's specific needs. The latest software and hardware innovations are coupled with systems and processes using advanced data analytics to ensure an uninterrupted supply of product while meeting inventory turn and financial performance metrics.

### Classification of Inventory

Our customized solutions allow us to provide management of different types of inventory based on an analysis of each customer's site. Our objective, whenever practical, is to increase inventory turn velocity and shift the cost of inventory for faster moving items from the customer to MTS. Our advanced processes allow us to manage MRO inventory more efficiently than the customer's current systems.

#### Consigned Inventory at Customer Location

MTS owned inventory is maintained in secured units or areas, typically industrial vending machines or locked cribs, until the customer determines a current requirement for an item. That item is physically issued, recorded in the inventory management software and an invoice is generated to the customer, though transactions can be consolidated into one periodic invoice.

#### Customer Owned Inventory

There are occasions when a customer decides to maintain inventory of items that may be slow moving or internally produced. Therefore, they maintain ownership of the inventory. However, MTS can utilize our proven systems to manage such inventory for the customer.

We will help you set appropriate min/max and reorder points and design an effective inventory maximization program. We identify what you have, what you need, and how much of it you need to drive optimal use of inventory budget and increased operational efficiency.

#### Dedicated Support Inventory

In addition to maintaining inventory on site, Machine Tools Supply will stock additional inventory, dedicated specifically for your use, at a regional warehouse to ensure your facility has timely access to all critical material. Inventory is "pulled" as needed to replenish consigned inventories or for requirements of longer lead time items. Again, the customer is only invoiced for product as it is ordered for current requirements.



### Inventory Management Services

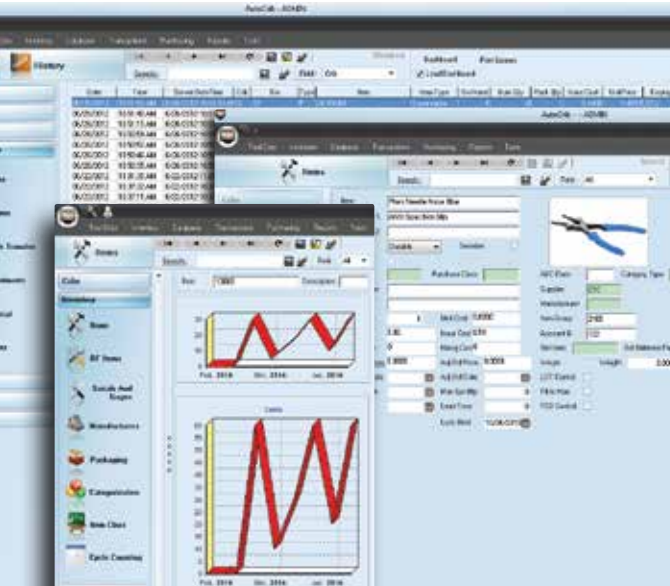
No two customers are exactly alike; each requires services designed to meet their specific needs. MTS has the experience and expertise to develop efficient inventory management systems and processes for each site. We offer “cradle to grave” management of consumable tooling and MRO supplies so you can concentrate your resources on profitably producing your products.



Typical activities for which we are responsible include:

- Management of all consumable tooling and supplies including vendor/product rationalization and standardization as warranted and directed by the customer
- MTS will stock the managed inventory in the AutoCrib POU vending systems and MTS managed inventory stations/cribs using dedicated onsite MTS personnel at the customer’s facility or personnel from our branch locations
- Customized point of use dispensing system for each facility using AutoCrib vending equipment providing 24/7/365 product availability of commonly used items and 100% accountability
- Consignment of higher velocity items- the customer does not pay for any consumable tools until they are issued out for immediate use in production
- Issues scanned from tool crib or vending unit to capture item usage, inventories, spend data traceable to the specific job, department, operator, etc. Customized proprietary reports available on the same data
- Use of AutoCrib software to efficiently issue items triggering automatic notification of reorder requirements to streamline procurement/replenishment and minimize personnel time
- Analysis of usage trends on a micro level and automatically adjusting stock levels to ensure an uninterrupted supply without excess inventory
- Kitting by job number available with AutoCrib RoboCribs. AutoCrib software can also assemble bills of material based on historical issue/usage data
- Repacking of items to optimize dispensed quantities and eliminate shop floor table top inventory
- Effective management to force consumption of regrinds to reduce use/cost of new tools combined with regrind tracking in inventory system to enhance cost avoidance benefits. Reground tools can be tracked by number of times reground and tools can be serialized if necessary.
- Traceability by lot number or serialized part number as well as tracking of country of origin for each item.
- Summary, consolidated invoicing at agreed upon intervals for all supplies used during the billing period transmitted electronically to the customer
- Disciplined scheduled review and proactive management of slow and dead inventory minimizing potential cost for obsolete materials
- Break out of items with highest spend level by group in order to rationalize/standardize on best in class products which maximize productivity while decreasing inventory





## Data Capture, Analytics and Customized Reporting

We believe that to achieve the greatest possible efficiency and the lowest total cost, you must have meaningful, accurate data with which to make decisions and then measure the results.

MTS' proprietary spend analysis tools identify and track detailed usage data in order to report specific key metrics and develop actionable cost reduction priorities.

By capturing usage data at the time of issuing tools, we are able to build a database that can be analysis of usage trends, calculation of cost per piece produced, identification of cost reduction targets and the like.

Once we analyze the data, our reporting capabilities that allows us to configure and report your data in virtually any format you request. Reports will be on a scheduled basis or as requested as often as necessary with many standard reports from AutoCrib and MTS' iGlass™ customer reporting portal available real time.



## Benefits of a MTS Inventory Management Program

### Increased Control and Visibility

By implementing an automated inventory management solution, our customers enjoy a reliable employee authentication process with detailed check-out alerts and records, up-to-date location of tooling assets, and access to a full suite of standard and customizable reports.

### Increased Fill Rates

Our capability of producing real-time data of product availability in conjunction with its historical data intelligence ensures proper min/max reordering levels are established. In addition, through the use of vending technology, product is offered at the point-of-use, effectively minimizing production downtime.

### Increased Accountability

Employee authentication for each transaction creates a feeling of accountability for product usage, which can be tracked by department or individual worker. Employees who have a high rate of consumption may be refused a tool request at the point of issue. Setting usage limits eliminates waste and identifies a potential problem before it leads to stockout. Studies show up to a 30% reduction in product consumed within the first six months of implementing a tool crib management system.



## Inventory Management Software and Vending Technology/Hardware

Machine Tools Supply offers complete solutions for your supply chain needs including hardware, software, setup, and support for your tool crib to point-of-use vending solutions. We offer a variety of configurable machines that remove the limitations placed by our competitors. In addition, you will be supported by highly trained Machine Tools Supply project managers from the initial inquiry, through installation, training, and far beyond.

### Key Software Capabilities

Machine Tools Supply offers an all-inclusive automated tool crib management system that improves your ability to distribute and track tools and other supplies with accuracy and confidence. The software, developed specifically for the manufacturing industry, can use bar coding to tie fast and reliable tool crib transactions to a powerful system of inventory control.

Our software flexibility means it fits the needs of manufacturers of any size, whether using an attended tool crib, automated storage and retrieval, or a combination of both. The system monitors tool inventory and usage, racks consumption and budget, issues purchase orders either automatically or manually, and includes robust reporting and makes it incredibly easy to manage industrial vending machines and traditional tool crib or store areas.

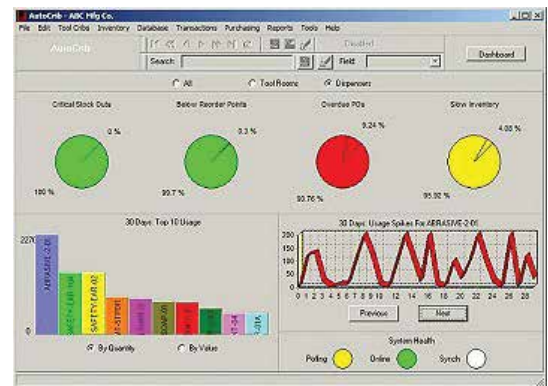
The simple issue/return screens allow the tool crib attendant or vending customer to quickly identify any item requested and process the transaction with a minimum of clicks. Furthermore, inventory can be transferred from tool cribs to satellite cribs or vending machines, ensuring optimal usage of inventory.

### Software Features:

- Fully functional tool crib management software that is scalable/configurable – manage physical cribs as well as vending units and scanners; over 250 standard reports
- Multiple users/multiple cribs; configurable security levels
- Capture specific usage data – by machine; job; dept; router; etc
- Intelligent dashboards compile many reports into a simple, easy-to-use, color-coded screen that presents actionable data
- Instant alerts - get immediate notification of critical item shortages
- Purchasing/receiving system - automatically reorders supplies
- Automated dispensing of regrinds/kitting/returnable items
- Powerful search function - finds what you're looking for even without an exact phrase match; recent issues list by operator
- Easy to use - modern user interface design; fully networkable; barcode capabilities
- Customizable dashboard - don't just see data, see the specific metrics important to your business
- ERP system support - interface with many popular ERP systems; uses industry standard MS SQL server databases
- Utilize photos and notes- store and retrieve notes and images of items
- Lot and expiration date tracking – monitors lots and expiration dates



*AutoCrib Tambour TX750 - The system in its most dense bin size configuration provides for up to 900 bins.*



*AutoCrib tool crib management software is the latest in automated inventory management, allowing users to perform issue and return tasks at a traditional tool crib window while simultaneously managing many different types of point of use vending machines*



*AutoCrib RoboCrib LX2000 - This unit has been designed to provide secure access to over 2,000 different items.*



*AutoLocker stations provide 24-hour access to high value, oversized, calibrated and durable products.*



*Vertical Lift Module (VLM) is designed to optimize your facility's layout by taking advantage of unused overhead space.*

**Vending Hardware**

**Carousel Vending**

LX2000, VX1000, VX500 , and TX750 provide secure access to varied types and numbers of items, and the carousel design allows for managing both small and large items in one location.

AutoCrib's line of industry leading RoboCrib carousel vending units has introduced a breakthrough in industrial vending technology- the Tambour TX750. The patented bin shelf system, mated with the incredibly flexible Tambour style door, gives the machine the ability to virtually eliminate vertical bin height waste space that is common to fixed door machines. Bin sizes are totally configurable in the field and can easily be changed as the mix of vended products changes.

The machines give access to products by item, employee, or job. Further, the system has the capability to track serialized items. Calibration control ensures that no serialized item will be issued if it has fallen out of the authorized calibration cycle. Following are examples of products that are ideal for carousel vending units:

- Carbide inserts
- Round cutting tools
- Tapes/adhesives
- Safety and PPE
- Air tools
- Welding tips
- Hand tools

**Locker Dispensing**

Our locker stations provide 24-hour access to high-value, oversized, calibrated, and durable items using solenoid-activated lockers and a simple-to-use keypad interface. This system is ideal for the following types of products:

- Gauges
- Hand tools
- Laptops
- Rechargeable tools
- Power tools
- Pneumatic tools

The AutoLocker FX is the first and only locker system on the market designed to be completely modular in every way. The platform lets you build a custom configured locker system for the unique needs of your company.

The lockers can be programmed to deny access to any gauge that has exceeded its calibration threshold. Calibration recall can be based upon the first occurrence of a calibration date, number of days on floor, or the number of cycles it has run.

**Vertical Lift Module (VLM)**

Every industry with high-volumes of parts, components, or tools understands floor space is premium real estate. The AutoCrib® VLM is designed to optimize your facility's layout by taking advantage of unused overhead space. Items are automatically retrieved and delivered to the ergonomically positioned access window for the user.

The result: You get the maximum utilization of floor space with minimal labor required for retrieval. See a sustainable 20-40% increase in picking productivity and up to an 80% increase in reclaimed floor space.







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and questions to [CP1@dnw.com](mailto:CP1@dnw.com)

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