

Financial institution solves write offs using Wasp Inventory Control

BUSINESS CHALLENGE

Inventory procurement process managed manually with Excel spreadsheets led to wasted time, countless errors, and tens of thousands of dollars in inventory write-offs each year.

SOLUTION

Wasp Inventory Control helped Amarillo National Bank slash inventory write-offs to just a few hundred dollars annually. Plus, they saved more than \$12,000 labor hours each year that can now be devoted to higher-value tasks.

BENEFITS

\$10,000 annual write-offs eliminated
\$12,000 annual labor saved
Process efficiency achieved

CUSTOMER PROFILE

- Founded in 1892
- Largest family owned bank in the US
- HQ + 13 branch offices in Amarillo, Texas



In just one to two hours, I can do what used to take me about two days a month. Both costing and receiving have been dramatically streamlined.

- Cody Cadenhead, Amarillo National Bank

Spreadsheet Stress

To serve its thousands of customers, Amarillo National Bank ordered large quantities of supplies, including deposit slips, banking forms, pens, paper and more. It relied on between 50 and 60 outside vendors to supply about 160 items.

The purchasing department, located at headquarters, orders and stores supplies for all 13 of its branch offices. When an individual office needed to replenish items, it would send a requisition to headquarters. The purchasing department would package and ship out the needed supplies.

Inventory was managed manually on two complex Excel spreadsheets. The first spreadsheet, which tracked vendors, included between 50 and 60 tabs (one for each vendor) and 160 rows (one for each item). As items were received in stock, they were noted in the appropriate cell. Managing this spreadsheet took about one and a half to two hours per week. Plus, the process was prone to errors. If

an error was inadvertently entered, backtracking to find and correct the data was both time-consuming and frustrating.

The second spreadsheet included about 40 tabs (13 for branch offices and others for the various departments at headquarters), plus about 160 rows (one for each item). When a branch office or department faxed a requisition form, the purchasing agent would note in the spreadsheet which items were ordered. Each week, the agent spent from one and a half to two hours tabulating the orders for various departments and branches. The resulting sheet was sent to the accounting department, which would generate invoices for each branch office and department.

The accounting department struggled to keep up with this time-consuming process. As a result, billing was constantly behind. This led to significant inventory write-offs of tens of thousands of dollars per year, since the bank could not account for the location of inventory items and bill for them in a timely manner.

Automatically Assigning Costs

The bank knew it needed to eliminate the cost of inventory write-offs. Plus, accounting and purchasing personnel wanted an easier, faster way to order and account for items.

The bank purchased Wasp Inventory Control to help manage inventory. Using Inventory Control's purchase order function, the bank sets minimum ordering levels and automatically generates purchase orders. When items are received into inventory, they are scanned using a barcode scanner and checked against the original purchase order. Input errors are virtually eliminated. The bank knows exactly how much inventory is on hand at all times.

Wasp Inventory Control also provides accurate costing of inventory, so purchasing personnel may quickly assign internal invoices to particular departments or branch offices.

Saving tens of thousands in write-offs

"In just one to two hours, I can do what used to take me about two days a month," said Cody Cadenhead, assistant purchasing agent for Amarillo National Bank. "Both costing

and receiving have been dramatically streamlined."

Cadenhead estimates that he saves about 16 hours per month, or approximately \$12,000 per year that can be devoted to higher-value tasks. In addition, accounting personnel save dozens of hours billing the branch offices. The entire inventory management process has become faster and more accurate, he added.

Inventory Control - Inventory Tracking Solution "I send a simple report to the accounting department that includes accurate quantity and costs, so they can bill branches in a timely manner," Cadenhead said. "This has virtually eliminated all inventory issues. Write-offs have dropped from tens of thousands of dollars to just a few hundred dollars per year."

Now that he is saving serious dollars by virtually eliminating write-offs and implementing a more efficient method for ordering and receiving inventory, Cadenhead is poised to find even more cost savings. This valuable information can further streamline management processes and offer bargaining power the bank can use in vendor negotiations.

WASP INVENTORY CONTROL HELPED AMARILLO NATIONAL BANK:

- Manage over 150 inventory items for use in branch departments.
- Get a handle on the ordering and receiving process for its inventory
- Eliminate inventory write-offs

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- Cody Cadenhead, Amarillo National Bank

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