

Maricopa County

Government; Phoenix, AZ



Workplace Issues:

- Reduced Cost
- Space Utilization

Applications:

- Entire Facility

Project Scope: 15,000 county employees; 5,000 workstations; 9+ million square feet

Programs/Services:

- Asset Inventory Management (AIM)

Results:

- Net savings of \$385,000 the first fiscal year



Maricopa County, one of the largest and fastest growing in the country, figures it buys about \$2 million worth of new modular furniture every year and reconfigures as many as 100 workstations each month. Until recently, however, most everything else about the Arizona county's modular furniture inventory was guesswork.

How much do we have? Where is it? What condition is it in? The answer to all of those questions was the same: No one really knows.

"It was an overwhelming challenge," says Cheryl Gresham, a county facilities planner. "Pockets of inventory existed here and there. It's not that there was no inventory management system; it's that there were too many of them, all ad hoc and hodgepodge."

Standard operating procedure? If a department needed to reconfigure, the excess parts were either designated as surplus or stockpiled in a spare closet on the off chance that they might come in handy someday. Sure, there was a central warehouse of sorts, but it was used inconsistently and almost always disheveled.

What's worse, one department might throw out a perfectly good part on Monday, while another would buy the very same part on Friday. Who knew?

"No one viewed furniture as an asset," Ms Gresham says. "It was just a commodity."

And it was bound to get worse. Maricopa County employs 15,000 people spread among 50 departments in nearly 200 buildings, the result of brisk growth that shows little sign of letting up. The resulting churn--adding someone here, moving someone there, and shifting whole departments--was quickly becoming unmanageable.

"The county was making too many unnecessary purchases, using too much space for storage, and wasting too much time trying to get a handle on everything," Ms. Gresham says. "There had to be a better way."

AN INVENTORY BULL'S-EYE

Turns out, there was. Maricopa County found it by turning to its longtime furniture vendor,





Before AIM



After AIM



Before AIM



After AIM

Goodmans Interior Structures of Phoenix. A Herman Miller certified dealer, Goodmans has provided the county with much of its furniture over the years, mostly Action Office 2 systems.

Meanwhile, the dealership also has been managing furniture inventory for a handful of other Arizona clients, including Pima County, the city of Phoenix, and investment-management giant Vanguard. The vehicle for doing so? Herman Miller's proprietary AIM program (Asset and Inventory Management), which tracks and stores excess furniture so it can be redeployed quickly.

"AIM is based on a simple premise," says Karna Herrig, a Goodmans account manager. "It's better to reuse what you already have than to buy what you don't need. The program is especially well-suited to sprawling organizations with extensive furniture assets."

Sounds like Maricopa County. Before committing to AIM, the county asked Goodmans to test it on four pilot projects. The result?

"We concluded that reusing furniture, over buying new, with the help of AIM saved us \$135,000 for just those four projects alone," Ms. Gresham says. "At that point, there wasn't much debate about the wisdom of implementing a formal inventory management program countywide."

BIG SAVINGS

Goodmans' first step toward doing so was to gradually consolidate all the county's excess modular furniture into a Phoenix warehouse shared by other AIM clients. As furniture arrives, it's thrown out if deemed unusable or designated for auction if still in decent shape but no longer up to county standards. Everything else is inventoried and organized, ready to be redeployed quickly when the need arises.

Whether the job involves adding a single workstation or reconfiguring an entire floor, Goodmans simply scans the AIM database to see what's available in inventory and what needs to be ordered new. The web-based AIM software also gives county employees instant access to inventory data, including detailed reports about what's coming in and what's going out.

"Our credo is AIM first, new second," Ms. Gresham says. "From a design and specification standpoint, it's easier to just go ahead and buy everything new, but it's not very good stewardship of tax dollars."

How clearly is that stewardship reflected in the budget? Ms. Gresham calculates that AIM saved Maricopa County \$385,000 during its first full year of usage, about 25 percent per project. That number accounts for how much new furniture the county didn't have to buy (about \$580,000 worth), minus administrative costs associated with the program. Throw in the labor and space savings Maricopa County realized by outsourcing inventory management to Goodmans and AIM looks like an even better value.

"What happened in Maricopa County isn't unusual," says Ben Wieringa, a Herman Miller dealer business consultant who manages the AIM program. "Managing furniture assets is often a struggle in large organizations with multiple sites. But the savings can be enormous when you treat furniture as an investment that becomes a better value each time it's reused."