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NEWS RELEASE

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Inventory Control Essential for Business Profitability

New patent puts buyer in control so goods are only ordered as needed

CHAMBERSBURG, PA -- Inventory control is critical to running a profitable business. Excess inventory ties up cash not only in the goods that are sitting in warehouses but also in what has to be spent for space to store the items and related insurance and other overhead costs. There also is the risk of decreased demand for inventory already purchased.

One of the first to realize the value of inventory control was Ford Motor Company founder Henry Ford who wrote in his book, *My Life and Work* (1923): "We have found in buying materials that it is not worthwhile to buy for other than immediate needs. We buy only enough to fit into the plan of production, taking into consideration the state of transportation at the time. If transportation were perfect and an even flow of materials could be assured, it would not be necessary to carry any stock whatsoever. The carloads of raw materials would arrive on schedule and in the planned order and amounts, and go from the railway cars into production. That would save a great deal of money, for it would give a very rapid turnover and thus decrease the amount of money tied up in materials. With bad transportation one has to carry larger stocks."

Ford's insight is even more applicable today, according to William Gindlesperger, founder and CEO of e-LYNXX Corporation, because of improvements in transportation, production and communications. "Not in his wildest dreams would Henry Ford have envisioned what we can do today with controlling inventories via computerization and new business methodologies," Gindlesperger added.

Such a methodology is one that Gindlesperger invented – U.S. Business Method Patent No. 7,451,106. Known as The Gindlesperger Method, it applies to any goods or services that are specification-defined when ordered. Commercial print, construction services, direct mail, labels, machined parts, marketing materials, product packaging, temporary staffing, textiles, transportation and trucking are some of the most obvious examples of specification-defined goods and services.

Basically, The Gindlesperger Method allows the buyer, using a computer-operated system, to identify pre-qualified suppliers that can produce a product or service on demand through a competitive pricing process. Identification comes through an automatic matching that occurs after each supplier's capabilities and other attributes are entered into a computer operated system and then matched against the buyer's product or service specifications that were also entered into the system. In essence the computer system identifies those pre-qualified suppliers that can meet the specification requirements and then sends a request for pricing to each of them.

"This creates a virtual pipeline to and from the buyer's own pre-qualified suppliers across the country," Gindlesperger said. "It eliminates the need for excess inventory, because it allows the buyer to control precisely when and what to order, knowing that there are always pre-qualified suppliers in its network that are waiting for the opportunity to produce the product or service."

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Additionally, and this is a key point, The Gindlesperger Method makes it possible to reduce significantly the actual cost of the goods or services. In fact, the cost reduction in organizations using The Gindlesperger Method is about 40% greater than that obtained using other competitive means (such as negotiation, rate cards, spot bidding and auctions). A 40% reduction in the costs of specification-defined goods and services equates to a significant increase in profitability – to the extent that 1% and more of total revenues migrate from cost lines to the bottom line. Since 6% to 30% of the operating budget of a typical organization is spent on specification-defined goods and services, the opportunities for measurable cost reductions are enormous.

"This new approach supports improved inventory management while changing the process from one of a supplier determining pricing for the buyer based on what the supplier perceives to be the price the buyer is willing to pay, to a process by which the supplier submits prices based on its own production needs with the buyer selecting the lowest price among qualified suppliers," Gindlesperger explained. "The buyer achieves optimal scheduling benefits and cost reductions, while revenues and profit for suppliers increase as suppliers fill their downtime with contributory revenues. It is win-win for all involved. The scope of this patent is very broad and powerful in its application to the automated procurement of any customized or specification-defined product or service."

The Gindlesperger Method is not simply the computerizing of an existing methodology, Gindlesperger emphasized. Rather, it is the invention of a novel process that had not been found anywhere in prior art when the patent application covering this invention was filed by e-LYNXX Corporation on November 30, 1998. During the intervening 10 years, this approach to procurement has likely been implemented, and, if so, would now be covered by the business method patent. e-LYNXX was awarded the patent on November 11, 2008, and is in the process of licensing it to organizations in the United States.

Gindlesperger said his firm is finding that organizations are very receptive to licensing a process that can bring them significant cost reduction benefits in an economy where cost savings are being wrung out of nearly every aspect of doing business.

About William Gindlesperger

William Gindlesperger is a nationally recognized entrepreneur, inventor, author and consultant in print and procurement. He founded ABC Advisors and its successor, e-LYNXX Corporation, in 1975. Under Mr. Gindlesperger's leadership the firm has grown into the recognized profit enhancement leader. Print buyers and suppliers alike have benefited from his insight and innovation.

Mr. Gindlesperger has directed major in-plant studies in both the private and public sectors and he is highly regarded for his knowledge, advice and work on behalf of firms in matters pertaining to the U. S. Government Printing Office (GPO). He has testified before the U. S. Senate Committee on Rules and Administration regarding government print and procurement policy. He also has worked directly with numerous Congressional and Senatorial members and staff and has advised Congress on the development, operations and future of GPO print procurement and the federal print program in general.

Mr. Gindlesperger invented the methodology that optimizes cost reduction in the procurement of specification-defined goods and services. He has been granted two separate business method patents by the U. S. Patent Office, first for the competitive procurement of print and then for the competitive procurement of *all* specification-defined goods and services.

A native of Chambersburg, Pa., Mr. Gindlesperger is a graduate of Dickinson College.



About e-LYNXX Corporation

e-LYNXX Corporation, the North American procurement authority, is exclusively endorsed by *Printing Industries of America (PIA)* and *Educational and Institutional Cooperative Purchasing (E&I)* and recognized as a top 100 procurement firm by *Supply & Demand Chain Executive*. Founded in 1975, e-LYNXX has three divisions. • American Print Management provides enterprise print procurement solutions and patented competitive methods to reduce costs for direct mail, marketing materials, packaging and other procured print. Results include enhanced quality and service levels, efficiencies, process control, transparency and procured print cost reduction of 25% to 50%. • Patented Procurement Method grants patent licenses for supply chain optimization. Results include substantial reduction in existing costs of competitively procured goods and services. • Government Print Management offers U.S. GPO bid services, access and assistance. Results include filled downtime, operational stability, improved cash flows and increased profitability. www.e-LYNXX.com – 888-876-5432

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