



A Leading Medical Device Manufacturer Reduces Purchased Inventory by \$3M in 3 Months with LeanDNA

The Challenge:

Overcoming Manual Processes in Spreadsheets

One of the leading medical device manufacturers was struggling with inefficiencies in its operations, particularly in the management of Purchased Part Shortages. The existing system relied heavily on manual processes, primarily using spreadsheets for tracking and communicating information on shortages. This manual approach proved to be time-consuming and prone to error, as it required daily manual updates from the team. Consequently, the data on shortages was often unreliable and inconsistent.

The lack of a centralized system left the purchasing team without the necessary tools to effectively monitor Purchased Part Inventory. This limitation made it difficult as they set out to reduce inventory levels and further optimize their inventory. However, by partnering with LeanDNA as their intelligent supply chain execution platform, the medical device leader transformed their supply chain operations.

The Impact:

Eliminating manual inefficiencies

Beginning with mastering shortage management, the team streamlined and automated the tracking of Purchased Part Shortages. This initiative **eliminated the manual inefficiencies that plagued the previous process**, enabling the company to gain better control and accuracy in managing shortages.

OVERVIEW

Industry: Medical Devices

ERP: Oracle

Key Challenges

Manual processes in spreadsheets leading to

- Operational inefficiencies in inventory management
- Lack of visibility and collaboration
- Unreliable or inconsistent data

Key Results

- Eliminating manual inefficiencies
- Achieving \$3M purchased inventory reduction in 3 months
- Decreasing PO's behind schedule by nearly 50%
- Increasing collaboration and visibility



“POs behind schedule are down almost 50%. The buyers were able to use a combination of the POs Behind Schedule Report and Inventory Opportunities to look for POs which were behind schedule but could be pushed out due to demand change.”

- Purchasing Manager



\$3M purchased inventory reduction in 3 months

Leveraging tools such as Inventory Tracking, Early Deliveries, Projected Shortages, and POs Behind Schedule, the team improved their inventory management practices. The Inventory Burnoff Tool provided valuable insights, particularly in the company's initiative to reduce inventory levels, leading to more efficient inventory management.

Through the diligent utilization of LeanDNA's Inventory Opportunities Tool and Oracle's recommendations, the medical device leader achieved a substantial reduction in inventory levels. This reduction amounted to over **\$3 million in purchased parts inventory in just 3 months.**

PO's behind schedule decreased by 50%

The buyers in particular are benefiting from using the Line of Balance Report and associated graphs, which offers a clear graphical representation of supply and demand dynamics. This enabled buyers to make informed decisions quickly and effectively, resulting in improved procurement processes.

"POs behind schedule are down almost 50%," said a Purchasing Manager, "The buyers were able to use a combination of the POs Behind Schedule Report and Inventory Opportunities to look for POs which were behind schedule but could be pushed out due to demand change."

Collaboration leads to proactive supply chain management

Last but certainly not least, the team eagerly embraced the enhanced internal visibility and communication regarding supply and demand dynamics within the organization. This improved transparency and collaboration across departments facilitates more informed decision-making and proactive management of supply chain challenges.

Set up for Success

The diligent efforts of this team has propelled the organization towards significant improvements across various aspects of its operations, including shortage management, inventory optimization, buyer efficiency, and internal communication. With a clear strategy and the tools provided by LeanDNA, the medical device leader is poised to further streamline its operations, continue to reduce purchased inventory, and enhance overall efficiency in the pursuit of supply chain optimization.

