

## UNIVERSITY STOCKROOM MANAGEMENT SUCCESS STORY

### CREATING THE IDEAL UNIVERSITY STOCKROOM

#### Problem

A large, multi-campus university was under pressure to reduce costs due to impending state-wide budget cuts to higher education. Scarce resources limited the university's ability to identify the most probable opportunities for waste reduction. University leaders asked VWR's Business Process Consulting (BPC) team to determine the ideal campus-wide stockroom model, one that would cut costs while enhancing the services that researchers care about most.

The university's existing model dealt with a complex mix of political, financial and operational pressures. Politically, many university and departmental leaders, researchers and principal investigators had an interest in the outcome and influence in the decision. Finances, coming from various government and non governmental sources, were funneled through principal investigators. A portion of the money was used to purchase supplies for the stockroom, while some was redistributed to overhead groups that make various additional transactions to tie up loose ends and reconcile stockroom budgets. Operationally, any model must meet the needs of the researchers and principal investigators, and data must flow among various departments at the university.

#### Sources of Waste in the University's Stockrooms

- High mark up
- Excess inventory
- Static product mix
- Low usage items
- Travel to/from stockroom
- Key scientific needs unmet
- Reduced buying power
- Poor stockroom marketing
- Back-end disconnect
- Manual processes
- Small product mix
- Cumbersome transactions
- Stockroom/delivery disconnect
- Disparate management styles

#### Solution

A **VWRCATALYST™** Lean Six Sigma trained Business Process Consultant (BPC) began with a project charter detailing expected project results based on a matrix of goals and objectives for each stakeholder group. Together with project management tools, this data ensured the final results would meet the needs and timeline of those most affected. Extensive surveying, onsite interviews and transactional data captured the political landscape, voice of the customer and the process data at the centre of the detailed financial models.

When the project began, the university had three distinct stockroom models in place. Two of the models were managed by university staff and funded exclusively by a university price mark up ranging between 14 and 44%. The third was managed by a vendor, funded at less than 1% price mark up. Service levels varied widely. Management structures differed as well. Customer sentiment differed across campus; some researchers were very price conscious while others cared most about customer service.

#### Problem

A large university needed to cut the cost of maintaining and operating their stockrooms while balancing the needs and goals of many departments and university leaders.

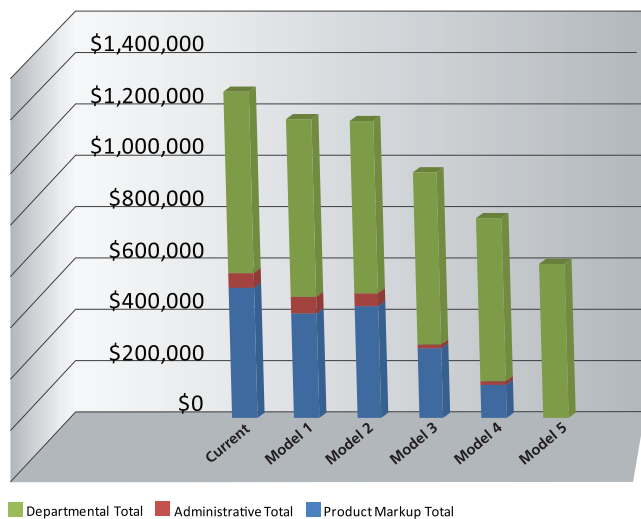
#### Solution

The **VWRCATALYST** consultant used Lean Six Sigma methodology to capture the complex landscape of the university and the stockroom needs.

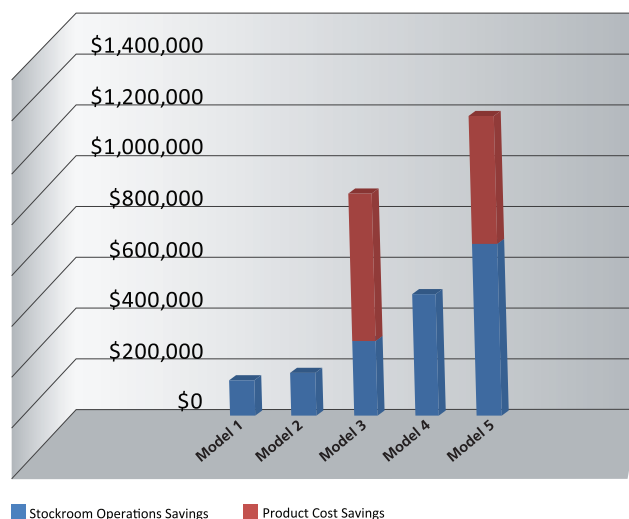
#### Result

The consultant presented five different models for stockroom management, with proposed savings of up to \$1,1 million.

STOCKROOM OPERATING COSTS



PROJECTED ANNUAL SAVINGS



**Figure 1.** Proposed models for stockrooms offered savings of up to 53% of current operating costs. In each proposed model, the savings are the result of the increased buying power, reduced process variability, reduced markups, reduced inventory and standardisation of operations across the campus.

## Results

In **less than 30 days**, the BPC distilled this complex landscape into five viable stockroom models, each tailored to the needs of the stakeholders, with proposed savings **as high as \$1,1 million**. The proposals included 1) detailed cost models to assess how the impact of solutions would differ from the current state; 2) an attribute-based modelling tool to allow for comparisons of the plans based on the

needs of key stakeholders; 3) a detailed map of the political landscape, including goals and objectives from everyone with a stake in the decision, with the greatest focus emphasising the perspective of researchers and principal investigators; and 4) best demonstrated practices for stockrooms in higher education.

Are your scientific resources being wasted on non research activities? **VWRCATALYST** has the skills, knowledge and experience to support research productivity improvement at your organisation.

Visit [VWR.COM/VWRCATALYST](http://VWR.COM/VWRCATALYST) or email [VWRCATALYST@eu.vwr.com](mailto:VWRCATALYST@eu.vwr.com) for more information.

## We Enable Science Through Services

From research to production, **VWRCATALYST** can help you re-focus scientific time on initiatives that directly support the strategic mission of your company.

### We Enable Science by:

- Powering productivity
- Improving quality, safety, and regulatory compliance
- Reducing total operating costs

### Our services include:

- Procurement and Supply Management
- Laboratory and Production Support
- Scientific Support
- Equipment and Instrument Services
- Lean Six Sigma Process Consulting