

POINT-OF-USE INVENTORY MANAGEMENT SUCCESS STORY

RECOVERING TIME FOR RESEARCH

Problem

A Fortune 500 pharmaceutical company identified that its scientists were spending significant time away from research as they managed lab supply inventory. To remain competitive and increase shareholder value, company leaders needed to increase the productivity of their scientists.

The company engaged a **VWRCATALYST LEAN** Business Process Consultant (BPC), who conducted a detailed, fee-based assessment and found that the scientists were spending 36 770 hours per year searching for supplies, writing purchase orders, reconciling invoices and returning unneeded items.

Solution

The BPC recommended a **point-of-use inventory management programme** to stock the right products in the right amounts at each scientist's work area. This programme identifies and concentrates the supplies needed for each lab based on historical purchasing data and interviews with the scientists. The team also implemented industry-leading inventory management technology to track usage and continually optimise stocking levels.

The BPC also recommended changes to the procurement process, such as assigning a single point of contact for infrequently ordered items, streamlining channels for handling procurement issue resolution, and deploying expert support for custom sourcing projects.

SCIENTIST TIME RECOVERED THROUGH INVENTORY MANAGEMENT PROGRAMME

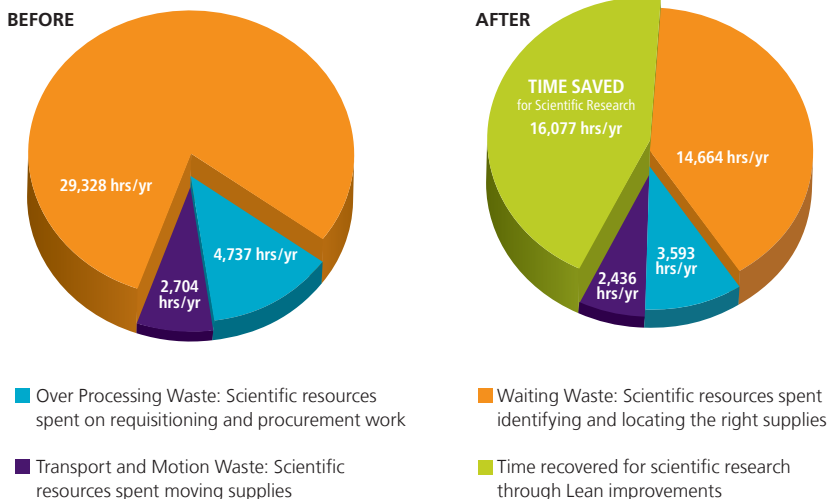


Figure 1. Summary of results from LEAN business process assessment time studies

Problem

Scientists' productivity was decreased due to time spent managing inventory of lab supplies.

Solution

Point-of-use inventory management system keeps supplies closer to scientists and reduces overstocking.

Result

Recovered **16 077 hours** per year for scientific research and **29% reduction** in on-hand supplies.

Result

Thousands of hours, previously wasted on non essential tasks, have been recaptured for scientific work. Currently, the programme is **saving 16 077 hours** per year, the equivalent of **8,03 full time scientists**.

The point-of-use programme **removed excess inventory**, valued at **\$74 256** and redistributed the overstock supplies appropriately. The dollar value of average on-hand lab supplies at the facility has decreased 29%, from **\$521 000** to **\$373 000**. Excess inventory is no longer needed, and the amount of space available for research and upgraded, high-tech instruments has increased without expanding the lab's footprint.

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, email VWRCATALYST@eu.vwr.com for more information.

EXCESS INVENTORY BY DEPARTMENT

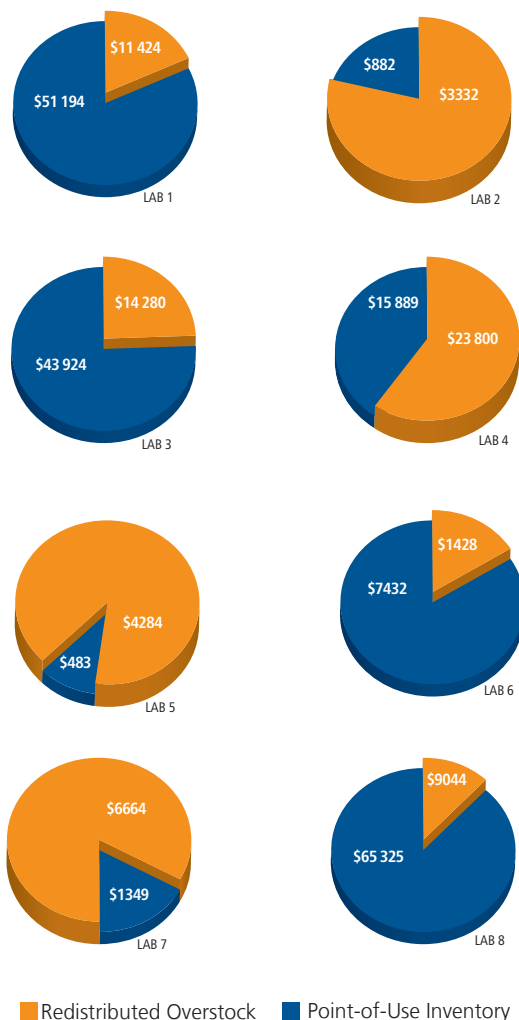


Figure 2. The inventory in each of the eight departments was assessed and optimised based on the specific needs at each point of use. Excess inventory (overstock) was then redistributed to other departments appropriately.

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