

LEAN SIX SIGMA BUSINESS PROCESS CONSULTING SUCCESS STORY

STREAMLINING PROCUREMENT AND INVENTORY MANAGEMENT LEADS TO INCREASED PRODUCTIVITY

Problem

A biotechnology company was planning to relocate to a new headquarters to accommodate growth. As part of the move, the company wanted to streamline tasks and increase efficiency. Scientists, technicians and other skilled employees were wasting nearly 5000 hours a year on ancillary tasks such as inventory management. A review determined that the lost productivity from these ancillary tasks was costing the company more than \$649 000 annually. Losses from excess inventory across campus amounted to an additional \$146 500.

Solution

The company engaged a VWR CATALYST Lean Six Sigma Business Process Consultant (BPC) to help consolidate ancillary tasks into new roles. Working closely with an internal team, the BPC coordinated an extensive review of the current process, particularly as it related to the management of lab supplies. Prior to this review, there were many employees involved in the purchasing, inventory, stocking and accounts payable processes. Afterwards, one employee was responsible for coordinating these tasks. This allowed the company to simplify and standardise all of these processes to reduce waste, cut costs and recapture time for scientists to focus on research. The solution also included a metrics package to help managers drive inventory reduction.

Problem

While preparing to relocate to a new headquarters, a biotechnology company needed to restructure procurement and inventory anagement processes.

Solution

The company's procure- to-pay process was streamlined to allow scientists to focus their time on research activities.

Result

Standardising inventory management processes saved the company more than **\$796 000** in direct labour and inventory costs as well as gained productivity from skilled employees.



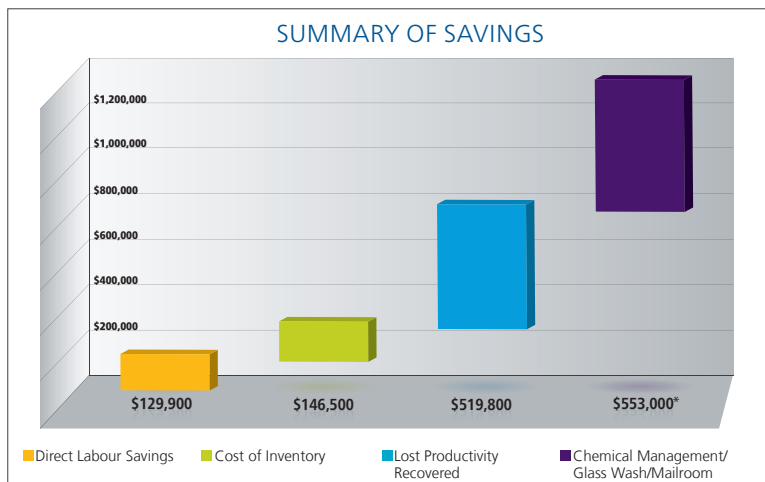


Figure 1 By freeing up time for skilled employees to focus on core activities, the company's savings nearly tripled. Extra value was added by changes to the chemical management, glass wash and mailroom services.

*Projected Value

Result

Streamlining and standardising the procure-to-pay process created **more than \$276 000** in direct labour and inventory cost savings. Factoring in the lost productivity of skilled employees nearly triples that value to just **over \$796 000**.

The value uncovered through this project led the company to leverage the BPC for continuous improvement. The BPC found that additional value could be found through improving the company's approach to glass wash chemical management and mailroom services. Partnering with industry leading chemical tracking software and MSDS management software, the BPC was able to design a solution that will finish implementation this year and **provide additional value of more than \$553 000**.

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.

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We Enable Science by:

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

Our services include:

- Procurement and Supply Management
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