

INVENTORY SYSTEM STREAMLINES PROCUREMENT FOR cGMP DRUG PRODUCTION FACILITY

Problem

An unstable system for managing production supplies often led to interruptions in productivity at a company's aseptic injectable drug production facility. Production personnel lacked a reliable inventory of "cGMP-Approved" and "Non-Approved" supplies necessary to complete critical work in cleanroom areas.

Each department had responsibility for maintaining its own inventory of chemicals, protective apparel, glassware, and other production supplies. But this non-scientific task was a low priority compared with the company's core pharmaceutical manufacturing projects. As a result, departments purchased too much inventory of some supplies and not enough of others. Employees often needed to stay late to address procurement issues. Without the required inventory on-hand, production areas even faced the risk of shutting down.

Solution

The company asked **VWRCATALYST** to assess the FDA-certified facility's procurement systems and recommend improvements. Using Lean Six Sigma methodology, we proposed an inventory system to manage the efficient delivery of products from receiving areas, into IQ/OQ, and onto the production floor. A reliable inventory in close proximity to production areas would eliminate the distraction of searching for frequently used supplies.

After reviewing the **VWRCATALYST** assessment and recommendations, the company decided it was favorable to proceed. The leadership team agreed that supply chain and inventory management demands were hurting manufacturing productivity and costing the company both time and money. The company validated our proposed improvements, which included efficiency gains and reduction of operating costs.

VWRCATALYST provided a dedicated associate to support the three largest departments onsite and manage "cGMP-Approved" inventory (items requiring quality inspection prior to internal delivery) and "Non-Approved" inventory. The company asked **VWRCATALYST** to manage the process and designated warehouse space for our team to oversee.

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PROBLEM

The challenge of managing inventory created unnecessary costs, depleted manufacturing time, and exposed an FDA-certified facility to the risk of shut-down.

SOLUTION

VWRCATALYST implemented an inventory system to manage the efficient delivery of production supplies from receiving areas, into IQ/OQ, and onto the production floor.

RESULT

Our services delivered a **\$707,000 reduction** in on-hand inventory value **and recovered 2,900 hours** for internal management and technician teams.

"VWRCATALYST has been extremely successful at our facility. We depend on the best quality and the best services for high performance. Quality is number one and the service and support needs to be at the same level."

Manager of Supplier Development and Purchasing

Result

- The on-hand inventory value has been reduced from \$856,000 to \$149,000, **a savings of \$707,000**
- **2,900 hours were recovered** for internal management and technician teams
- An additional **\$250,000 in process cost savings** was captured for support teams
- Rush freight charges were **reduced by \$12,500**

The company was able to:

- Increase the number of hours for workers to focus on core manufacturing responsibilities instead of inventory management
- Improve focus of management on company productivity
- Increase the number of batches per month due to material availability
- Achieve more efficient movement of material per month
- Eliminate stock-outs in all departments, which allows for steady flow of business
- Increase the number of product campaigns in manufacturing

Given the success of this inventory management initiative, the company is in the process of expanding the responsibilities of **VWRCATALYST's** onsite service team to other areas in the facility.



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