

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 5,000 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 **VWRCATALYST** Lean Six Sigma Business Process Consultant to help consolidate ancillary tasks into new roles. Working closely with an internal team, the consultant 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. Afterward, one employee was responsible for coordinating these tasks. This allowed the company to simplify and standardize 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.

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PROBLEM

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

SOLUTION

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

RESULT

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



Result

Streamlining and standardizing the procure-to-pay process created **more than \$276,000** in direct labor 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 **VWRCATALYST** consultant for continuous improvement. The consultant found that additional value could be found through improving the company's approach to glasswash, chemical management, and mailroom services. Partnering with industry-leading chemical tracking software and MSDS management software, the consultant was able to design a solution that **provides additional value of more than \$553,000**.

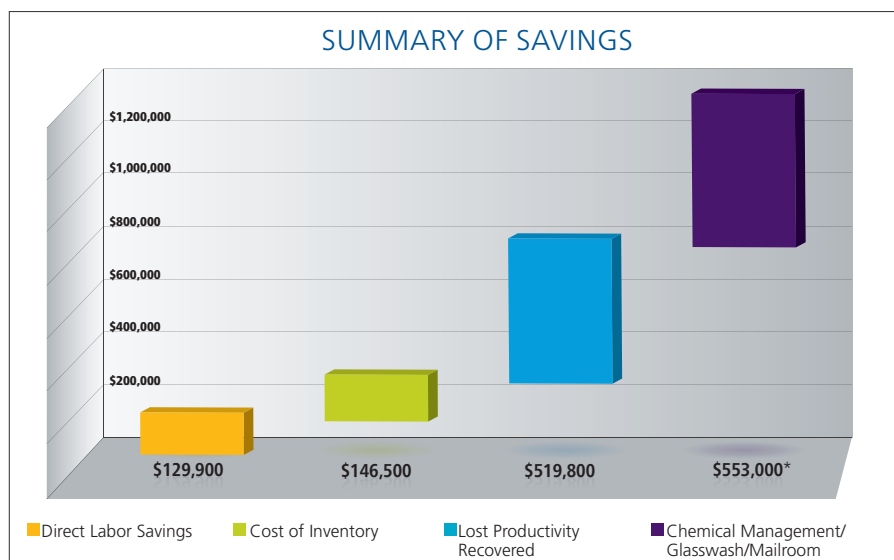


Fig 1. By freeing up time for skilled employees to focus on core activities, the company's savings nearly tripled. Extra value was added by changes to the chemical management, glasswash, and mailroom services.

*Projected Value

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