

## Leading medical supplier improves service levels by 26% and forecast accuracy by 48%

*“Our biggest concern was always that poor inventory availability was stifling sales. hba have helped us solve this problem and proven our original hunch was true.”*

Commercial & Operations Director

### Our Customer

A leading supplier of bespoke surgical kits to operating theatres, casualty departments, and hospital wards.

### The Problem

As hospitals have reduced their inventories of supplies, our client has to deliver within 48hrs and with a 100% service level. Failure results in lost sales as customers seek alternative sources of supply.

There were major headaches with forecasting demand and providing the factory with an accurate and stable production schedule. Particularly as some component items had production lead times of up to 3 weeks and supply chain lead times of up to 12 weeks. Their ERP system did not have the optimum configuration with respect to material requirements planning and was severely hampering their efforts.

As a result, the client suffered from unbalanced inventories and poor stock availability as well as the ongoing loss of considerable management time in managing the supply chain

### The Objectives

To raise service levels to the hospitals to 100% and provide a stable platform for sales growth

### Our Approach

We analysed the finished product demand profiles and customer ordering patterns

to identify different strategies for inventory control and planning. For the higher demand items we introduced cyclical leveled scheduling within the supply chain to stabilise capacity requirements and improve inventory availability.

For customer specific products we worked closely with the Care Managers and Territory Managers on the sales side. We introduced new forecasting methods that involved them and their customers actively collaborating in defining and agreeing rolling product forecasts based on known parameters such as theatre schedules and surgeon availability.

These enhanced forecasts were then consolidated within the existing planning and scheduling systems to provide improved visibility of accurate customer requirements. This enabled the supply chain to be much better aligned with demand, and customer expectations could be satisfied.

### What we delivered

On this ongoing project, we have so far delivered:

- **25% improvement in service levels**
- **40% reduction in customer backorders**
- **15% increase in sales turnover**
- **48% reduction in forecast error**