



LIFE SCIENCES & HEALTHCARE CASE STUDY

IMPROVING FIELD INVENTORY MANAGEMENT FOR A MEDICAL DEVICES PROVIDER

A multinational medical technology company provides medical devices and healthcare solutions across the world.

With a commitment to improving patients' lives, the company produces a wide range of products that are used by healthcare professionals to treat conditions such as diabetes, cardiovascular problems and back pain.

The company is transforming healthcare by employing new approaches and pioneering innovation to revolutionize care.

CUSTOMER CHALLENGE

Given the unique requirements of the medical devices industry – an industry in which people's lives are directly impacted – quality, consistency and reliability of service, as well as supply chain resilience, are paramount.

However, the market is maturing and there is an increasing demand for improved service levels through value-based healthcare, against a backdrop of lower healthcare budgets.

High levels of inventory presented a particular challenge for the company which had minimal visibility and limited levels of stock accuracy. This had led to duplication of high value products on multiple sites – costly both in financial terms and in levels of customer satisfaction.

With product shelf life averaging five years or less, there was also the problem of obsolete or expired inventory and a lack of real-time information on order history and inventory availability.

Together, these factors resulted in a high cost of goods sold and a limited customer delivery experience.

CUSTOMER CHALLENGE:

- Raise service levels and reduce costs
- Better real-time visibility of inventory
- Support field technicians and sales reps by managing trunk inventory

DHL SUPPLY CHAIN SOLUTION:

- Network of sites certified to ISO 13485
- Warehouse and transport management system improves visibility of inventory
- Glove-to-glove delivery via 24/7/365 delivery network
- Secured data transmission through EDI interfacing
- Enhanced level of local customer service

CUSTOMER BENEFITS:

- Standardized, scalable solution
- Full visibility of inventory has reduced costs and raised customer satisfaction
- More time for sales teams to devote to customers



DHL SUPPLY CHAIN SOLUTION

With the previous lack of inventory visibility and control as the focus, DHL's team of specialists, with their expert knowledge of the quality and regulatory landscape, designed an improved aftermarket and final mile solution.

Certified to ISO 13485 – which covers the quality of medical device provision – DHL designed and implemented a solution with glove-to-glove delivery (also known as same day or urgent delivery to hospital) from GDP (Good Distribution Practice) compliant forward stock locations. This improved the visibility of inventory through the implementation of a global networked warehouse and transport management system and reduced the overall inventory holding requirements – thereby reducing cost.

Inventories previously held on-site as trunk stock were consolidated into DHL warehouse locations. This provides visibility of inventory levels, data on order history and consumption levels, and real-time availability. It allows for the reduction in total inventory and protects against there being obsolete or expired inventory. Furthermore, by holding stock closer to where it is required, the company can meet demand more cost-effectively.

The solution also incorporates a 24/7/365 delivery network with two hour deliveries.

CUSTOMER BENEFIT

The company now benefits from a scalable and resilient solution which has been implemented at 17 of its sites and which affords inventory visibility around the world. By standardizing service provision, it has been able to enforce standard practices throughout the countries included in the solution.

There has been a reduction in the overall cost of the supply chain due to the reduction in the inventory holding requirements and the elimination of obsolete or expired stock.

The new visibility of inventory availability has helped to improve service levels which in turn has led to increased customer satisfaction.

The improved solution has enabled sales reps to spend less time on supply chain tasks and more time with customers.

FOR FURTHER INFORMATION

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