

Orthopedics network design

An FSL network study for Germany improve availability and generate € 4,8m in missed yearly sales. One-off set-up of € 500k and annual run cost of € 1,77m bringing a one-off saving of € 9,94m and an annual saving of € 2,15m.

- ✓ Increase stock **availability** (EUR 4,8m in missed sales 2022), **flexibility** and **visibility**
- ✓ More **reliable** same day service for urgent replenishments – 65,2% reached in 2 hours and 99,6% in 4 hours
- ✓ Optimize **stock re-balancing** between hospitals and **wild returns**
- ✓ Enable sales reps to **focus** more on **core business** (€ 1m / year)
- ✓ **FEFO** orders out of the FSL's
- ✓ FSL can act as additional **pick-up** and **drop-off** location
- ✓ VAS – **labeling RFID tags** to parts
- ✓ **Leverage solution** for other countries/BU's (e.g. Robotics spares)
- ✓ Further **streamlining** and **improvement** over contracting period – starting year 3

5 year financials

	Yearly Budget Year 1-2	Yearly Budget Year 3-5
Set-up	FSL Implementations (local) IT Implementation (central) Overall Coordination	
Annual Run	<p>Same Day Transportation</p> <p>Next Day Transportation</p> <p>FSL run cost</p> <p>IT run cost</p> <p>Command Center & Management</p> <p>€ 1,77m</p>	<p>OR € 123k (amortized over 5 years)</p> <p>€ 1,52m</p>
Savings	<p>One-off stock value reduction</p> <p>Annual cash saving (15% of stock value)</p> <p>Expiry avoidance</p> <p>€ -9,94m</p> <p>€ -1,49m</p> <p>€ -660k</p>	<p>€ -1,85m</p> <p>€ -1,49m</p> <p>€ -1,08m</p>

