



Cirtec Medical Reduces Inventory & Boosts COTD with LeanDNA's Clear to Build

About Cirtec

Cirtec Medical has been an industry-leading outsource partner for end-to-end product design, development and manufacturing of Class II and III medical devices, specializing in today's most cutting-edge product technologies.

More than just another design shop or contract manufacturer, Cirtec offers a uniquely comprehensive range of vertically integrated capabilities. Helping medical device design progress quickly, predictably and cost-effectively through every phase of the development lifecycle.

The Challenge: Data Reliability & Inventory Imbalance

Cirtec was facing a few common supply chain challenges that many manufacturers face. The first being a lack of reliable inventory data. They had no clear way to see what current materials shortages they had or were projected to have within the next week. "Forecasting became a full-time job and we ended up losing production because we didn't know what we were missing or going to miss," said Tim Binder, Supply Chain Director at Cirtec. With that came the second challenge, rightsizing inventory by balancing supply to current and projected demand.

Being in the medical industry, the COVID-19 pandemic seriously impacted Cirtec's production line. With a surge in customer demand and extended lead times from suppliers, Cirtec resorted to accumulating excessive inventory to prevent production disruptions. This approach, although it built some resilience, resulted in a long-term battle with inflated inventory levels, impacting their bottom line and increasing their days of inventory.



OVERVIEW

Key Challenges

- Inventory data is unreliable or inconsistent.
- Supply and demand are misaligned, indicating a need to optimize inventory levels.
- Elevated days of inventory on hand.

Key Results

- Shortage Prevention
- 20% Inventory Reduction While Improving On-time Delivery
- Actionable Insights for Data-Driven Decisions



We found that we could rightsize our inventory and maintain and improve our on-time delivery at the same time, which is why we are expanding to other sites. That's the problem we need to solve.

Tim Binder
Supply Chain Director



The Solution: LeanDNA's Clear to Build

The Cirtec team had tried a lot of ad-hoc solutions like homegrown excel based solutions or writing queries. However, these approaches meant it was difficult to pull and aggregate data from their ERP system. Plus, sharing or making changes to the data in these solutions was not a simple task.

Needing a solution to help them manage active shortages and actively plan for future shortages, Cirtec discovered LeanDNA's Clear to Build (CTB). CTB gives production planners visibility into which parts are preventing orders from becoming ready to build, and enables planners and buyers to better collaborate and prioritize orders to improve COTD. "Now all the data is in one place," said Tim Binder, "You can see what the demand is, what we need to order vs what we already have, and what to prioritize."

The Results

Shortage Prevention

Implementing LeanDNA enabled Cirtec to proactively identify and mitigate materials shortages, safeguarding the production line and ensuring uninterrupted supply to customers. This proactive approach significantly reduced the impact of shortages on Cirtec's operations, enhancing overall resilience without increasing costs and improving customer satisfaction.

20% Inventory Reduction While Improving On-time Delivery

Cirtec achieved a remarkable 20% reduction in inventory levels while simultaneously improving on-time delivery rates. This achievement not only optimized inventory management but also bolstered Cirtec's ability to meet customer demands promptly and reliably.

"We found that we could rightsize our inventory and maintain and improve our on-time delivery at the same time, which is why we are expanding to other sites. That's the problem we need to solve." -Tim Binder, Supply Chain Director at Cirtec

Actionable Insights for Data Driven Decisions

Buyers at Cirtec are sometimes looking at over 1000 parts at a time. By providing actionable insights and recommendations, the Cirtec procurement team now has clear prioritization and is empowered to focus their efforts on critical areas. This enhanced visibility empowered Cirtec to make data-driven decisions and optimize their inventory strategies effectively.

"Got a hunch, buy a bunch was our previous approach, but now we have a data driven strategy to our planning and buying workflow." -Tim Binder, Supply Chain Director at Cirtec

Additionally, LeanDNA's reporting capabilities provided Cirtec with invaluable insights into their inventory management practices. The inventory burnoff chart, in particular, offered a clear visual representation of inventory value progress, highlighting the impact of proactive inventory management actions.

What's Next

Cirtec is actively working to rightsize inventory levels across all 14 of their sites. By utilizing LeanDNA's tools and analytics, Cirtec can make informed decisions and progress towards balancing their materials supply and demand at each site.

"We haven't even tapped into all the tools. In fact, we've barely scratched the surface of what LeanDNA can do and it's already worth the investment for us."

Cirtec's transformation showcases the power of intelligent supply chain solutions in driving operational excellence. By empowering their team to make data-driven decisions, Cirtec successfully reduced inventory while simultaneously enhancing on-time delivery performance. Now, they're ready to unlock even greater optimization across their sites, with LeanDNA as their partner on the path for continuous improvement.