LeanDNA

Medical Device Company Saves $700K in First Month

An innovative world leader in medical devices manufacturing with over a billion dollars in annual revenue was struggling to optimize their manufacturing operations in their global supply chain.

The company had nearly 20 sites located all around the world, and getting everyone on the same standard of work to meet company expectations was difficult. While results were tracked at each individual site, bringing data together for a holistic view of the supply chain was a major challenge. Though Oracle ERPs were implemented across the company, getting each site's data into a manageable format for regular cross-site analysis was extremely time-consuming.

Creating excel reports and sharepoint documents became some team members' full-time jobs. Deeper dives into root causes and any predictive analysis were just not possible, and any improvements made were difficult to tie to KPIs or actual dollars saved. In addition, knowledge and best practices learned at one site were not visible to another.

In March 2017, the medical devices manufacturer implemented and deployed LeanDNA at a trial site. Launch only took a few weeks with minimal IT support using LeanDNA's pre-built ERP connections. Once implemented, they worked side-by-side with the Customer Success team to work through the recommendations being provided by the LeanDNA software. They assigned tasks to key personnel, monitored activity around the tasks to ensure completion, and then tracked results on subsequent reports.

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We know that if we're hitting our KPIs, our business will succeed. LeanDNA tells us where our supply chain teams should focus to ensure we're meeting goals.

–VP of Supply Chain at Medical Device company

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Previous Efforts

Excel was the name of the game for managing supply chain at this medical devices manufacturer. To roll up monthly executive-level reporting, each buyer would send their data to their manager. Then, each manager would send the aggregate data to a division-level analyst. That analyst would work to normalize the data into one cohesive report, which would then be shared with a company-level analyst. That company-level analyst then had to normalize each division's data to share with the executive team.

All this was a month-long effort - as soon as the report was finalized, it was already completely out-of-date! To get every division, every manager, and every team on the same page would mean less time wrangling data and more time solving problems. The medical devices industry is also very fast paced. It was difficult for this company to balance ever-changing technology and safety requirements with out-of-date data. Inventory reduction, shortage management, and improvement initiatives fell by the wayside in favor of staying above water with as many orders as possible.

Results

By using LeanDNA, this medical devices manufacturer was able to achieve more than $700,000 in actual savings in less than one month. Without LeanDNA, these savings would not have been realized, much less tracked.

LeanDNA's Metrics capabilities also played a big role in this manufacturer's plan. Based on the company's KPIs, LeanDNA became the system of record for keeping track of data. The tool sent reminders to team members in charge of KPIs each week to ensure that each metric is tracked in a timely manner. Then, management could track improvements and highlight problem areas as they arose on automatically generated visual dashboards in weekly meetings. Team members and leaders could collaborate on progress within the tool.

After seeing such positive a results at the trial site, the manufacturer implemented LeanDNA at additional locations throughout the company. Today, all 18 sites within the medical devices company use LeanDNA, with high user engagement at every level throughout. Everyone from buyers to executives has incorporated LeanDNA into their standard work, as it has proven itself to be a powerful aide in making decisions that impact the bottom line.

Key Challenges

- Globalization of the company and its suppliers increased the complexity of ordering, inventory optimization, and on-time delivery
- Data and reporting differed greatly between sites, despite the use of a single ERP
- Wrangling reports and synthesizing information had become people's full-time jobs, preventing proactive supply chain activities
- No single point of reference to track KPIs across the company's sites
- Reporting processes lacked standardization and accountability, making it hard for executives to get a comprehensive view across all sites
- Best practices gleaned from continuous improvement initiatives executed at one site could not easily be transferred to another site

The LeanDNA Difference

- Resulted in more than $700,000 actual savings in less than one month
- Data was tracked in one platform from every site and ERP
- Built-in dashboards provided visualizations used frequently in staff meetings at all levels
- Reporting work processes were automated and standardized across the entire division's sites and platforms
- LeanDNA Metrics helped track KPIs and highlighted where attention should be focused to ensure goals were met
- Reporting was consolidated into a single dashboard, providing real-time visibility across all sites for executive reporting roll-ups