

Case Study: Safety Stock Analysis - Business Intelligence

Innovative Healthcare Products, Services & Educational Programs (IHP)

- Decreased Inventory, Increased Profits

The Challenges

IHP, a leading supplier of comprehensive superior medical products, wanted to refine its Supply Chain Management, including inventory control and reduction of fulfillment time. Needed was research on which subassemblies should be stocked based on the quantity and annual sales of finished goods: approximately 4,500. Since the implementation of SAP, the effective ability to generate data was limited resulting in a massive, yet essential project. Efficiency Engineers were hired to provide expert data advice and evaluation in order to reduce inventory and increase profits.

Efficiency Engineers Solutions

Efficiency Engineers' extensive analysis reported on final assembly components, their corresponding finished goods and related net profit. This task required several sets of data to be reviewed including the base data on all the finished goods and their entire leveled bill of materials.

Once the data was collected, query development and analysis provided information that could be utilized to make decisions. All results and trends were supplied to IHP in an easy to understand format allowing the Company to make quick and profitable decisions.



Results

Efficiency Engineers' data analysis and report provided IHP with crucial information enabled the management team to implement changes resulting in decreased inventory and increased profits. The overall on-hand inventory cost was reduced by 8%.

Efficiency Engineers' evaluation allowed IHP to improve its Supply Chain Management methods while substantially increasing net profit.