

Industry: Medical Devices

Medical Surgical Supplier

Pilot Program

To identify areas for improvement, Ultriva scheduled an onsite diagnostic visit and took a read of MSS's supply chain "vital signs". Based on this, Ultriva developed a plan for an initial six-week pilot with four focus areas:

- ◆ Eliminate the use of spreadsheets for exchanging information with suppliers, in favor of an electronic closed-loop system.
- ◆ Fix errors and scalability limitations associated with the manual Kanban system.
- ◆ Address disconnects in the information flow between order entry, manufacturing shop floor and accounts payable.
- ◆ Improve the efficiency of the supply chain

Ultriva, Inc.

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CUSTOMER PROFILE:

This Medical-Surgical Supplier (MSS) is a leading pharmaceutical distributor, provider of medical supplies and healthcare IT Company. MSS manages over \$120 billion in annual sales.

BUSINESS SITUATION:

In the late 1990's MSS became a pioneer of lean manufacturing and six sigma within the healthcare sector. The results were impressive and continuous improvement remains a key driver for the company as they look to the future to reduce costs. Soon, MSS was in rapid growth for their automation business. As health care regulations intensified, the requirements for meeting that demand grew significantly. MSS had already attempted to use an electric Kanban system but they were unable to grow with it as rapidly as needed, having difficulty getting the suppliers to adapt to that system. MSS reached out to Ultriva to help with this implementation.

OUR SOLUTION:

MSS started by using the [Collaborative Supply Portal](#) with [Electronic Kanban](#) from Ultriva. The short deployment started with an analyzing of needs, then designing the solution, advising on the integration, and finished with training. MSS implemented a closed-loop Kanban method that enabled all Kanban signals to be tracked and



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Results:

- ◆ Purchasing administrative costs were reduced by 50%
 - ◆ Stock outs were minimized to less than 1%
 - ◆ Collaborative Portal enabled JIT replenishment and closed loop Electronic Kanban
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About Ultriva Inc.

Ultriva empowers leading industrial, automotive, healthcare, aerospace and defense businesses to operate more effectively and collaboratively by providing real time visibility and targeted actionable intelligence into inventory and material flows. Ultriva's cloud-based platform leverages and seamlessly integrates with leading ERP and MRP systems, to deliver an end to end pull based replenishment model.

traced, and utilized consignment, which allowed them to carry significantly less inventory. The Kanban loops were easily scalable and fixed the errors McKesson had using the manual system.

THE RESULTS:

MSS reduced the inventory for items put on Ultriva by nearly 50% and increased turns by nearly 100%. This was mainly due to migrating suppliers to the Ultriva Portal, and reducing the lead time through standardized ordering methods. They also realized a 50% reduction in supply chain administrative costs.

Less quantifiable results included improved communication between the shop floor and suppliers and a sharpened competitive edge through swifter delivery of custom products. Ultriva's web-based software allows suppliers to log into the Cloud, eliminating the need for suppliers to install any new software or invest in any special equipment. This helped accelerate supplier adaption. Today MSS has over 65 suppliers using the Ultriva [Collaborative Supply Portal](#).

By providing effective processes, Ultriva is helping healthcare providers improve their supply chain and reduce costs.

