

Stockroom
Inventory Management

Success story

Saving time and reducing costs through cost-efficient inventory management

PROBLEM

Keeping track of lab supplies emerged as a complicated problem for a global leader in household products manufacturing. Frequent delays and difficulty in locating lab supplies compelled researchers to stock more than they needed, and inventory was piling up.

The company's procurement team estimated that its laboratories were stocking three to four times the necessary volume. The expense of accommodating this inventory could not be passed on to the end user, and managing this stock was an inefficient use of scientists' time.

SOLUTION

The company asked Avantor Services to analyze its inventory, study its current ordering process, and recommend a solution that would reduce costs while allowing scientists to stay focused at the bench. Avantor Services studied the situation and created a plan that included:

- Establishing buying patterns for all stocking locations
- Consolidating suppliers to reduce ordering and invoice complexity, as well as operational costs
- Implementing an automated inventory management system to prevent repetitive ordering, optimize inventory levels, and reduce scientist involvement in procurement
- Labor justification to manage the process after implementation

PROBLEM

A large household product manufacturing company needed a new system to control costs and stop wasting scientific resources on inventory management.

SOLUTION

An automated inventory management system was implemented to prevent repetitive ordering, reduce scientists' involvement, and optimize inventory levels.

RESULT

Reduced overstock inventory by \$30,450 and recovered 4,373 hours per year for research that had previously been wasted on managing inventory.

The Avantor Services Site Services Team implemented the 5S system in the stocking locations: Sort, Set in Order, Shine, Standardize, and Sustain Forward. This system implements standard methods of organizing and cleaning the stockroom, and emphasizes continuous use of these methods to reduce the time spent on future reorganization efforts.

RESULT

Avantor Services introduced technology, process innovation, and metrics to drive greater efficiency. The company has saved:

- \$30,450 through inventory reduction over the first six months of the program
- \$442,000 in process cost savings resulting from new desktop delivery system, which frees up researcher time
- \$7,850 through transferring management of stockrooms to Avantor Services

The automated inventory management system also recovered more than 4,300 hours that scientists had previously been using on searching for supplies instead of research activities. The first phase of the project has recovered 130 square feet of storage space, which created a savings of almost \$12,000. Additional plans for the future will potentially reclaim as much as 5,000 square feet.

SCIENTIST TIME RECOVERED THROUGH INVENTORY MANAGEMENT

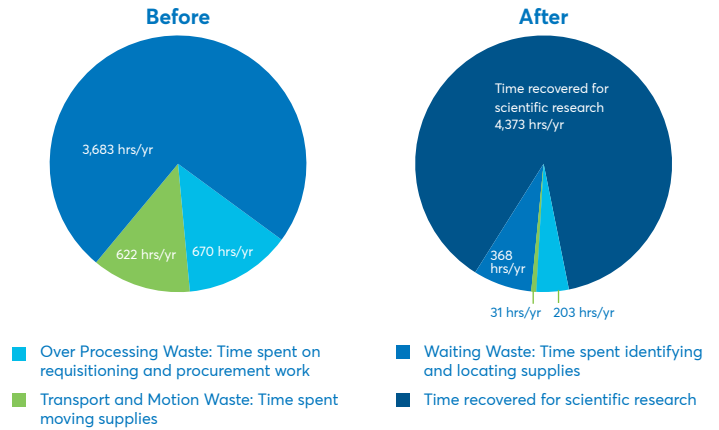


FIGURE 1: Summary of results from Lean business process assessment time studies

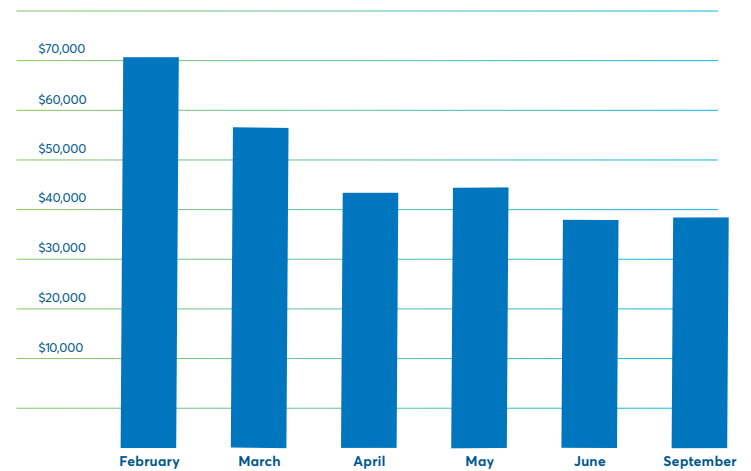


FIGURE 2: Summary of reduction in on-hand inventory

Do you need help streamlining scientific workflows?

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Avantor Services helps scientific organizations solve complex challenges, resulting in improved productivity, increased efficiency, and accelerated innovation.