



**Unchaining Inventory**

# CASE STUDY

intensive R&D medical  
diagnostics leading manufacturer



## R&D intensive and consumer-oriented manufacturer

The Israel market is a special challenge for “THE COMPANIE” that are both R&D intense and consumer-oriented. On one hand, Israel is a hub for new ventures especially in the technology intensive medical diagnostics industry. On the other hand, Israel has no viable land bridge to other supply-side electronics hubs to ensure quick, just-in time supplies, especially for electronics and other high-tech items.

The challenge for “THE COMPANIE” was exacerbated when assembling kits for high-end medical diagnostics in Israel which were based on Israeli innovative R&D. The practical business challenges created due to this unique situation is that Philips found it difficult to confirm orders for its needs in the Israeli market in a short time frame. The long lead times were also a problem because this prevented Philips from responding quickly to its clients’ needs.

IMS was uniquely qualified to assist “THE COMPANIE” because of our operational expertise including logistics, supply chain management, and business intelligence (BI).

**IMS provided:**

- A professional team with 15 years of accumulated local and international experience gained at some of most demanding companies in the world.
- Fast and efficient service with high responsiveness and sensitivity to the customer’s time constraints.

**This includes:**

- Advanced Information Systems
- Managing thousands of suppliers all over the world
- Expertise in handling hazmat permits and other regulatory requirements

## The IMS total solution

- When IMS took over the process we made sure that we utilized the already established IMS network of vendors to consolidate vendor activity
- We leveraged IMS' advanced BI systems to create a seamless interface with "THE COMPANIE" operations in Israel while at the same time tapping into the vast resources of IMS' existing database of proven high-tech vendors.
- Accessing the IMS vendors list which already had an existing track record and known purchasing procedures and adherence to high technical specs immediately streamlined the purchasing process.
- IMS BI and operational experience provided better ability to predict internal demand and also respond locally by utilizing IMS' local and international suppliers network.
- Utilizing integrated BI systems allowed IMS to consolidate and solidify the most critical aspect of "THE COMPANIE" business in Israel which is the kitting assembly for the medical diagnostics market.

## The IMS total solution

- IMS installed its ISO certified quality documentation which reduced the purchasing process attrition rate.
- IMS conducted in-depth interviews with internal clients in order to better establish and forecast demands needs and patterns.

## Operational improvements were seen:

- Flexibility in working 24/7
- Operating purchases of Hazmat with all necessary permits and approvals
- Executing expedited orders within hours
- Improved kitting assembly abilities

## Operational rhythm was established:

- Regular meetings with users to understand needs and review open issues
- Consolidation of information in data systems on a regular basis
- Direct and continuous connection with the warehouse and sub suppliers
- One dedicated contact for all issues

## Results

- Sku – 1650
- Suppliers – 480
- Availability rates- improve from 80% to 92%
- OTD (order to demand) – improve from 70% to 90%
- Exception – improve form 8% to 3%
- Invoice from suppliers – reduce at 36%

## IMS Overview

Inventory Management Solutions (IMS) is a leading inventory management and supply chain solutions company established in 2004, with headquarters in Mesa, Arizona, USA. IMS provides customized inventory management and supply chain solutions for manufacturing companies, that are designed to reduce cost, improve inventory turns, create free cash flow, and reduce the administrative burden of managing a supply chain. IMS provides inventory solutions to small and large manufacturing companies in various industries including semiconductor, microelectronics, pharma, aerospace, and energy. Our solutions allow the entire supply base to be consolidated and professionally managed, ensuring the right inventory is available at the right time at the right price.

*IMS is a wholly owned subsidiary of DSV Global Transport and Logistics.*



**iMS**

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