



Med Device Leader: No More Spreadsheets and Whiteboards for Production Scheduling

This medical device company is a market leader in high-speed instrumentation for neurosurgery, neurotology, otology, and orthopedics. It possessed an uncharacteristic low-tech approach to production scheduling: it relied on paper, spreadsheets, and a whiteboard to schedule and track its production cycle.

Results

- Eliminated unnecessary production orders; saved 15% in inventory overhead and 20% in overtime labor expenses
- Moved to build-to-order lean manufacturing
- Production efficiency allows company to deliver what it promises, when it promises

Best-in-class product quality despite challenges

Despite low-tech business processes, the medical device company never failed to deliver best-in-class product quality, technology, and service throughout its 30-year history of producing ultrafine medical instruments critical to life-saving surgery.

The company's director of material systems and information technology described the company's challenge: "Each product involves hundreds of individual processes. Multiply that by 11,000 products and 2,000 concurrent production orders. You can imagine the complexity. Production is further complicated by the critical demand nature of manufacturing medical equipment — we frequently need to reschedule a process to provide a vital piece of equipment sooner than originally scheduled."

The material systems and IT executive resolved to upgrade production scheduling and went in search of a best-of-breed solution. The company evaluated several solutions before making a final decision.

“We immediately appreciated the user-friendly interface,” says one senior executive. “The solution provider promised fast integration with a direct interface to our manufacturing software. Competitors cited long-term implementation schedules. Worse yet, they expected substantial changes to the way we operate.”

Smooth integration

While the solution provider was fulfilling its rapid implementation promise (over the Internet), the medical device company changed its enterprise resource planning (ERP) system to mySAP. “Our users didn’t even notice the difference,” the IT and material systems director continued. “We flipped the switch, and it worked. It was a seamless transition. The implementation team is exceptional.”

Asking “what-if”

One of the prime motivators for the company’s decision is the solution’s what-if analysis capability. When an individual order or an entire operation must be placed on hold, the production planning and scheduling solution allows the company to see the impact of that change immediately.

“If we have a delay due to a technical problem or an outside process, we can see the effect that delay has on our entire schedule,” says the IT director. “This is vital information to keep our production on track.”

This 360-degree vision applies to rescheduling a particular job, without interrupting the scheduling system. “We work with the what-if scenarios until we find the one that works best for us and then take the new schedule live,” the director explains.



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Director, Material Systems & IT Medical Device Manufacturer

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Cut costs

With the strengths of mySAP and the production planning and scheduling solution combined, the company could now migrate to a build-to-order lean manufacturing model. “Before, we built to satisfy our sales forecasts,” says the director of IT and material systems. “Inevitably, some of those items would sit in inventory, and we’d run out of stock on another and have to rush to produce it. It was a costly and inefficient way to operate.”

In less than 60-days, this medical device company eliminated 250 production orders that would have been built to satisfy forecasts. “The shift to an advanced planning and scheduling solution is saving us about fifteen percent in inventory overhead and about twenty percent in overtime labor expenses. We’re not building equipment to stock any longer — we’re building to ship,” the IT director says.

What’s more, the solution’s powerful order and resource optimization engine ensures production efficiency across all lines. Constraint factors such as labor, equipment, tools, and materials are now accurately scheduled, which boosts reliability and ease of use for shop floor staff. Best of all, there are no surprises.

“We now have a consistent tool for our planning and scheduling that is used by most of the departments, from supervisors, production planners, purchasing, IT staff, and management,” concludes the IT and material systems executive. “More importantly, we’re delivering what we said we would when we said we would. The advanced planning and scheduling solution is an amazingly powerful tool.”

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