LEGACY
SUPPLY CHAIN SERVICES

Client Success Story: Life Sciences Technology Company

Lean Action Workout – Driving waste out of kitting processes

Company Overview

This case study outlines LEGACY's work with a global leader in life sciences, diagnostics and applied chemicals, supplying bio-analytical instrumentation and installation services to medical and forensics institutions all over the world. They employ over 10,000 people and bring in nearly $4 billion in revenue each year.

The industries they serve include chemical and energy, pharma and biotech, academia and government, food industry, diagnostic and clinical, and environment and forensics. Growth drivers for the company are issues of increasing global relevance, such as food and water quality, rising energy demands, healthy and aging population, and emerging economies.

The Challenge:

Due to supply chain and warehouse inefficiencies, the client was not meeting the rising demand for field installation kits. This was delaying revenue recognition, and resulting in lost sales.

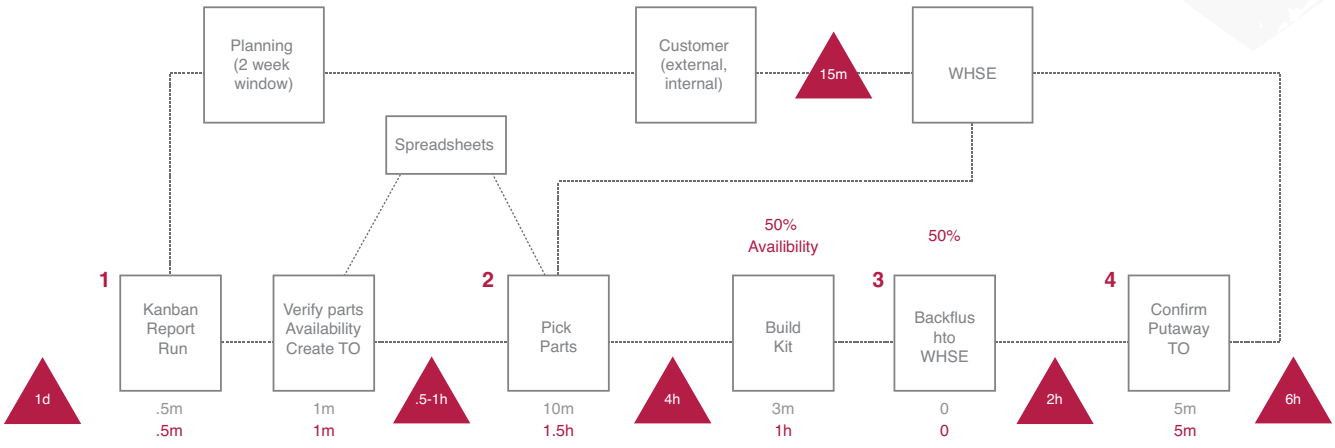
Statistics:

- Cycle time of 13 hours from dispatch to build
- 6 miles of non-value added travel per day in kitting
- Less than 50% fill rate on customer orders
- Top kits always in red status (critical to build)

Their setup required 300 feet of walking per kit ordered—a total of six miles per day. Value Stream Mapping (VSM) showed a 13-hour cycle time for the most frequently built kit, rendering them unable to keep up with demand.

Kitting Process VSM (Current State)

TAKTkit = (10*60)/300 = 2m/kit



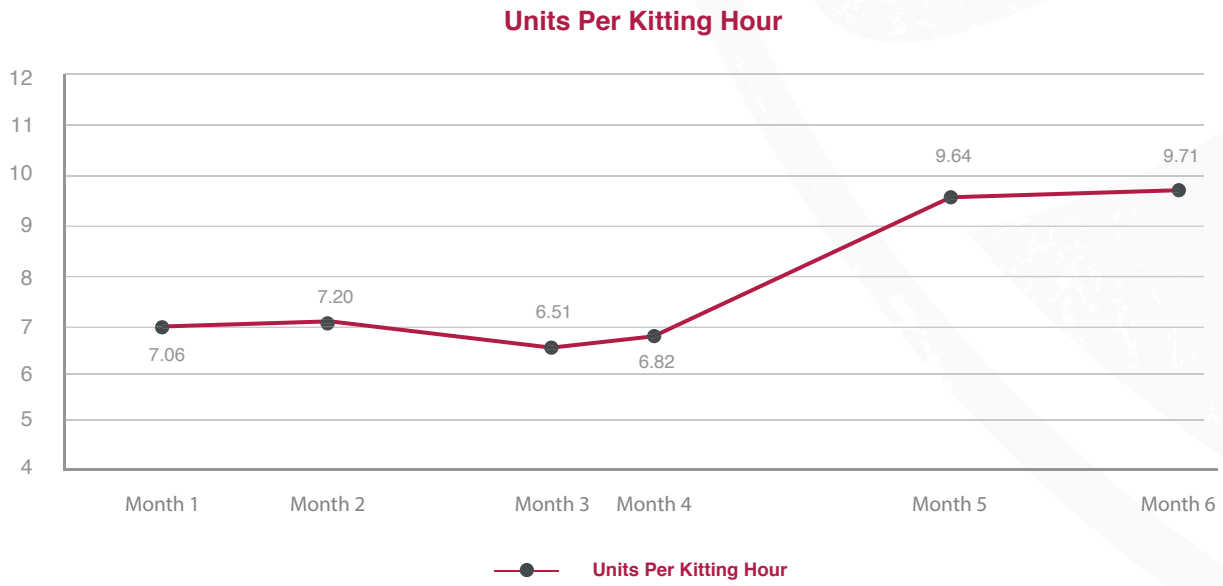
The Solution:
LEGACY conducted a 3-day Lean Action Workout, involving corporate, regional, operational, associate and partner representation. This three-day session included group meetings, breakout brainstorming sessions, analysis and recommendations.

They successfully:

- Evaluated the current state using Value Stream Map and waste identification exercises—targeted 50% reduction in cycle time
- Designed work stations and handling equipment to bring most used materials directly to the point of use
- Set up new storage type in SAP, sequenced within current pick/store logic, to drive efficiency
- Shrank work batch sizes by increasing the frequency of SAP-driven Kanban reporting by 200%

The Results:
As a result of this Lean Action Workout, efficiency was drastically improved, with:

- 25% reduction in resources used to staff kitting functions, used to support consumable product line
- 55% increase in kits built by team
- 100% fill rate on service kits
- Reduced safety stock levels due to increased production capacity
- Fast reaction to manufacturing/engineering alerts or omponent changes within kits



The client was able to achieve $72,000 in annual savings as a result of these new efficiencies. As an additional long-term benefit, LEGACY was able to build a culture of continuous improvement by engaging associates, and developing Lean Change Agents to lead projects into the future.

"Through Lean workout projects and process re-engineering, we have driven out excess waste resulting in serious cost savings."
-LEGACY Lean and Quality Team

Visit LEGACYscs.com to find out more about Lean Action Workouts.