

Client Success Story

Fortune 100 Company Reduces Growing Inventory Value While Improving Availability

The Challenge:

This global pharmaceutical corporation is among the world's largest pharmaceutical companies. The company employs more than 90,000 people with over \$50 Billion in revenue.

As one of 5 primary research facilities and a central hub for vaccines and biotherapeutics research, this location maintains over 30,000 unique SKUs.

When their MRO team embarked on a cost savings initiative, they knew there were opportunities to streamline inventory, but lacked the insight into where and how much.

With inventory value growing approximately 17% per year, the site needed a more proactive way to balance risk with cost in its approach to stock levels.

The main challenges to address:

- ❖ Reduce growth in storage space
- ❖ Accurate set up of ordering levels
- ❖ Reduce risk of parts' stock out

The Solution:

Pulse

The client turned to Xtivity to provide multi-user access to Xtivity's **Pulse**; a SaaS, hosted inventory optimization software that examines transactional data and calculates the appropriate Order Point/Order Quantity (or Min/Max) and Lead times (internal and external) for every line item of an MRO inventory.



Domain Expertise. From data mining and analysis to MRO Supply Chain Principles, trends and insights, Xtivity's ongoing decision support brings diverse industry experience; backed by seasoned inventory analysts and SCM practitioners.

Helping clients improve performance, ensure reliable operations and improve cash flow.

THE IMPACT:

- ✓ **Value.** 10% (\$1 Million) decrease in moving inventory reduction accomplished in 12 months
- ✓ **Reliability.** Zero stock-outs with 99% availability since program implementation
- ✓ **Space.** Inventory Turns increased by 60% and stopping growth in storage space
- ✓ **Consistency.** 1% time share. Just 2 hours per month reviewing the entire inventory of 31,000 SKUs



Xtivity has gone above and beyond when we have asked them for requests. They are anticipating what our business needs may be. That kind of attitude puts them apart from other companies by creating a symbiotic partnership."

-Manager- Data Management Group