



STRYKER OSTEOSYNTHESIS

Achieving Operational and Supply Chain Excellence with
i-Supply

CASE STUDY

CUSTOMER DETAILS

Stryker Osteosynthesis is a provider of reconstructive, trauma and spinal products in the medical technology industry. Stryker Osteosynthesis is a division of Stryker Corporation.

www.stryker.com

INDUSTRY

Medical Device Manufacturing

APTEAN SOLUTION

i-Supply

CHALLENGES

- High expectations from customers, requiring 24/7 service levels
- Volatility in demand
- Aligning supply to demand in an ever changing supply chain
- Ensuring suppliers have timely visibility of requirements

BENEFITS

- Decreased inventory levels by up to 50%
- Ability to purchase parts from the supplier and directly send the same parts via its distribution centers
- Decreased inventory levels and improved service levels along the supply chain
- Elimination of stock-outs

Stryker Osteosynthesis is a provider of reconstructive, trauma and spinal products in the medical technology industry and is part of Stryker Corporation. Since 1941, Stryker has grown to a position of global leadership in the \$35.6 billion orthopedic market, providing a range of products that improve medical professionals' and patients' lives in more than 100 countries. Orthopedic disease and trauma affect millions of people each year and through state-of-the-art products, simplified surgical techniques and improved hospital efficiencies, Stryker is developing cost-effective solutions and improving people's lives worldwide.

OVERVIEW

Managing a reliable and robust supply base is a key priority for global organizations looking to maximize supply chain efficiency and customer availability. Ensuring suppliers have timely visibility of requirements and can align their operations to optimize the flow of product supply can drive significant efficiencies for both parties. These savings can be realized through reduction in administration costs, inventory levels and working capital investment, while offering improved visibility, control and agility. So how does the supply chain leader continually align supply to the real demand and deliver this business value?

Stryker Osteosynthesis (Stryker) shares best practice and critical insights into the capabilities they have implemented with Aptean to manage its supply base and ensure supply is aligned to demand, discussing:

- How to achieve alignment of supply to demand in an agile and ever-changing supply chain
- How to work with suppliers to deliver a world class inbound supply chain

- The business capabilities that underpin a demand driven supply chain
- Lessons learned and things to consider before starting the journey to collaborative value

CHALLENGES

Due to volatility in demand, issues with inventory quality and delays in product availability, Stryker was struggling to ensure that its products would be available when needed. In the healthcare field, it is essential for medical professionals to have instant access to supplies. A patient having to wait for an implant that is out of stock, for example, could be life threatening.

Stryker's customers expect high, 24/7 service levels on practically all product offerings. Given the nature of this demand, a key supply chain challenge Stryker faced involved conflicting goals among high service levels and low inventory levels. Essentially, Stryker must continually ensure that inventory is neither in excess nor out of stock.

Such a business-dependent mandate, however, proves difficult to fulfill without strong visibility along the supply chain.

“We did not expect that it would be so easy to collaborate with Stryker in Selzach through i-Supply. We use the tool every day for managing shipments to Selzach and we especially appreciate the common view in i-Supply for both the customer and the supplier.”

Peter Alpert,
ThyssenKrupp Materials Schweiz AG,
Stryker Supplier

Without strong supply chain visibility and without knowing the exact number of products in distribution and in the supply chain, Stryker was unable to optimize its operational effectiveness and efficiencies. Specifically, Stryker encountered the bullwhip effect, which stems from incorrect forecasts and created additional supply chain challenges. With numerous links in its supply chain, Stryker needed a way to address the demand variability which risked potential inventory excess or stock-outs.

Moreover, Stryker's operational efficiency suffered from inconsistent inbound/outbound performance and manufacturing loads, hindering the company's ability to operate a stable, uniform-capacity load required for optimized process efficiencies. Stryker felt increasing pressure from manufacturing and supply chain costs, ultimately affecting the company's bottom line.

SOLUTION

After initially discussing the adoption of a vendor managed inventory (VMI) project, Stryker first thoroughly reviewed its supply chain to determine which parts would benefit from a VMI tool.

Stryker evaluated several prospective VMI tools, and ultimately decided that partnering with Aptean and its i-Supply inventory management solution, part of the TradeBeam Supply Chain product, was the best choice due to its real-time visibility and single tool/view offering.

In 2006, Stryker first deployed i-Supply at three production sites, two in Germany and one in Switzerland. Stryker went live with i-Supply with its first supplier in 2007 and added more suppliers by the year's end.

After implementing i-Supply among more suppliers in 2008, Stryker decided to spend the following year consolidating the work with its existing partners to help them optimize process efficiencies. Currently, i-Supply is being used among suppliers in Switzerland as well as in the United States, Sweden, Germany, Poland, China and France.

RESULTS

Using Aptean's i-Supply solution, Stryker has decreased its inventory levels by up to 50%. Some supplier sites were able to stabilize their inventory while experiencing a 20% increase in demand.

By running i-Supply, Stryker has strengthened supplier collaboration, improved support among partners and optimized operations along the supply chain. Essentially, using a single, one-language tool has enabled suppliers and customers to have the same basic principles and ultimately simplify supply chain management.

“In today’s highly demanding business environment, i-Supply helps us by efficiently providing real-time information about our customer’s business that we might not otherwise receive or receive fast enough. i-Supply also helps us to be a more responsive and proactive supplier and expand the value added services we offer to our customer.”

Jodie Gilmore,
Onyx Medical Corporation,
Stryker Supplier

SUMMARY

Aptean’s i-Supply solution proved to be exactly what Stryker needed to successfully meet its goals. Since implementing i-Supply, Stryker has increased its service levels among affiliates and end users, reduced inventory levels and improved work flow. Moreover, the company has achieved its overarching goal of realizing cost savings via less obsolescence and planning work as well as fewer administration costs.

If you would like to find out more about Aptean or i-Supply, please email us at enquiries@aptean.com.



About Aptean: Aptean helps businesses profit, innovate and grow where the work gets done—in the call center, on the floor of the factory, at the end of the assembly line. That’s where Aptean’s CRM, Complaints Management, ERP and Supply Chain software applications enable nearly 5,000 customers to satisfy their customers, operate more efficiently and stay at the forefront of their industry.

Aptean is where software WORKS. For more information, visit www.aptean.com.