



Logistics Brings Carestream's Service Into Sharp Focus

Delivering critical parts for critical care

Formed in 2007 when the Eastman Kodak Company's Health Group was purchased, Carestream Health is a provider of dental and medical imaging systems servicing a multitude of settings around the world. From medical printing and mammographic imaging products to dental x-ray units, Carestream Health's quality products are critical tools to help practitioners be more productive and ultimately help deliver better patient care.

But Carestream Health's commitment to quality extends to the premier support solutions that are provided after the sale is complete. Carestream Health knows that when it comes to patient care, a delayed diagnosis, or postponement of treatment

due to equipment downtime, is not an option. That's why its highly trained field engineers stand ready to service the tens of thousands of products installed in medical offices across the globe.

This commitment to patient care makes it imperative that Carestream Health's field engineers have rapid access to those critical parts once an order is placed. This includes the delivery and installation of parts, either the same day or next business day. However, it is an ongoing challenge to maintain the high service levels their customers expect while also controlling costs associated with these services.

CHALLENGE

Carestream required more efficient processes and parts planning to meet both practitioner and patient expectations.

SOLUTION

UPS made its field stocking locations available and partnered with Baxter Planning Systems to streamline inventory, storage and parts processing.

RESULT

Priority orders, inventory expenses and repeat service calls are down, reducing Carestream's costs and improving customer care.



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“Using UPS’s FSL network and field planning from Baxter Planning will give Carestream Health’s field engineers a competitive edge in the service and support marketplace. We expect the improvements to grow as we continue to use these tools.”

— *Randal Hill,*
Carestream
Health Service
Parts Operation
Manager



Fully integrated parts planning

Carestream Health realized that it needed to improve its manual planning processes to help reduce costs. The company learned that it would also gain efficiencies by having better control of where parts are allocated in the field, which would reduce the number of repeat technician visits. That’s when they turned to UPS for assistance to re-engineer the field parts planning and replenishment process. With thousands of parts in the network, the potential for improved efficiency was substantial.

The first step was to store Carestream Health’s service parts in 70 convenient UPS field stocking locations (FSLs) around the world, which reduced the critical spares inventory and improved customer service. The FSLs are fully integrated into UPS’s global transportation network, ensuring easy access and reliable same-day service to customers.

Next, Carestream Health, along with UPS and its partner Baxter Planning Systems, established a fully integrated parts planning and service parts logistics solution. Using planning software, a team of UPS and Baxter consultants analyzed everything — from the inventory that each field engineer held in their “trunk stock” to the specific locations of where those parts should be stored. This detailed analysis gave Carestream Health confidence that the UPS solution would be successful, ensuring that the right part would be available at the right place at the right time, while minimizing inventory.

Better aligned with customer needs

A pilot was conducted with a group of field engineers using the new planning software. At the end of the pilot, Carestream Health found that emergency orders placed by the field engineers were reduced by an average of 23 percent; the field engineers’ inventory dollars were reduced by 12 percent; and the engineers’ first-call completion rate was increased by 3 percent for all calls. Based on the results from the pilot, the projected savings from this program is more than \$500,000 per year and the project has been fully implemented.

Carestream Health is now seeing the benefits of using the planning program, with a reduced number of priority order shipments and a reduction in field inventory while maintaining the same high level of service their customers expect. The solution also optimizes the replenishment of parts, including what parts to ship, what field engineer or FSL it should go to and when.

Carestream Health employees and field engineers also have full visibility and quick access to its entire critical parts inventory, which is aligned with their customer requirements. Through the UPS Order Management System, Carestream Health is able to place orders at the nearest FSL, determine the fastest and most efficient route to the destination and track the shipment every step of the way.

With operations in 150 countries, Carestream Health knows that as its global operations grow, UPS’s network of over 900 field stocking locations, global IT platform and parts planning solution are available to assist in its efforts.

