



## Baxter Planning Case Study: Medical Equipment Provider

### INDUSTRY

Medical Equipment

### PLANNING ENVIRONMENT

- Geography - Inventory in 3 continents with users in 5 countries
- Products - 150+
- Central Warehouses - 4
- Field Sites - 100
- Field Service Engineers - 185

### CHALLENGE

- Organizational change resulted in multiple service parts planning systems
- Legacy planning system became unsupported by the vendor and was considered an unsecure platform

### SOLUTION

- Issued a competitive bid to review planning providers for a global service parts planning platform and ultimately selected Baxter
- Baxter's Prophet solution optimizes inventory and enables automation for seamless execution of replenishment from the distribution center out to both field sites and technicians

### RESULTS

- Emergency orders placed by the field engineers reduced by an average of 23%
- First-call completion rate increased by 3%
- Field inventory reduced by \$1M while maintaining a service level of over 95%

Baxter Planning (Baxter) optimizes inventory by combining proven technology with planning expertise to deliver service supply chain excellence for customers across a diversity of industries. Learn how a leading provider of dental and medical imaging systems partners with Baxter Planning to deliver quality products that are critical tools in increasing practitioner productivity and enabling the delivery of better patient care.

### Delivering Critical Parts for Critical Care

The company services a multitude of healthcare settings around the world and their commitment to quality extends beyond the product to the premier support solutions that are provided after the sale is complete. This medical equipment provider 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 field engineers have rapid access to critical service parts for delivery and installation once an order is placed.

Read more below about how this medical equipment leader partners with Baxter Planning to maintain the high service levels their customers expect while also controlling the costs associated with their service supply chain.

### Successful Replacement of Legacy Planning Tool

This medical equipment provider inherited multiple service parts planning systems as part of a major organizational change. Their legacy DC planning system that had been in use for over 20 years became unsupported by the vendor and was now considered an unsecure platform by modern standards. The company entered the market for a replacement system and issued a competitive bid to review planning providers and choose a global service parts planning platform. After a thorough evaluation of multiple vendors, Baxter was selected as the service parts planning solution for the distribution center, field warehouses, and technician inventory.

The selection was based on the strength of Baxter's solution across all echelons of the supply chain, from DC to field engineer. Another factor was Baxter's proven track record planning the organization's field inventory, and the ROI potential of a solution that understood the multi-echelon ordering behavior between the global DC in the US and the regional DCs in Europe and Asia. Additional benefits have also been delivered based on the introduction of intelligent part sourcing logic to the company's call center.



## Field Service Inventory Optimization

Using Baxter's advanced planning software, a team of Baxter consultants analyzed the customer configuration, including the inventory held by each field engineer as "trunk stock" as well as the specific locations of where those parts should be stored. This detailed analysis gave the customer's supply chain organization confidence that their partnership with Baxter would be successful, ensuring that the right part would be available at the right place at the right time, while minimizing inventory.

This organization, much like many field service organizations with technicians who hold inventory, needed a planning tool that uniquely served the needs of a mobile workforce with functionality and algorithms specifically designed for the problem. Rather than choosing a planning tool that views field engineers like any other warehouse, this company chose Baxter's capability to model technician inventory based on CRM call assignment rules. Prophet takes into account changes in technician territory assignments, changes in installed base, and each individual technician's training levels on the products within shared service areas to better model which parts each technician should individually carry. Combining all these data points produces a higher quality inventory plan superior to one considering demand history alone.

### ABOUT BAXTER PLANNING

Baxter provides cloud-based software and services for inventory planning across complex, global supply chains in diverse industries including technology, healthcare, and food service equipment.

For more information, visit [baxterplanning.com](http://baxterplanning.com) or call us at +1 (512) 323 5959.

**Optimize inventory by combining proven technology with planning expertise to deliver supply chain excellence.**



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PLANNING

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## Ongoing Benefits and Continuous Improvement

The company began by first conducting a pilot of Baxter's planning software with a select group of field engineers and was pleased to see immediate results. At the end of the pilot, emergency orders placed by the field engineers were reduced by an average of 23%; the field engineers' inventory dollars were reduced by 12%; and the engineers' first-call completion rate was increased by 3% across the board. The confidence gained during the pilot prompted the teams to move forward with a full implementation.

A Baxter Planning customer since 2007, this healthcare leader continues to realize the benefits of leveraging Baxter's proven technology and planning expertise. As Prophet's total cost model continues to optimize inventory and keep costs down, the team's confidence in Prophet's calculations has led to the automation and seamless execution of replenishment from their distribution center out to both field sites and technicians. Automation has positively impacted both supply chain execution and service levels that ultimately impact the end customer while allowing supply chain planners more time to focus on continuous improvement.

The customer's Service and Support Supply Chain team is now able to dedicate time to focus on Baxter's Planning Analytics which analyzes the past performance of selected materials by assessing each demand request to verify if material was on hand to fulfill the need. Team teams leverage corrective actions identified by these analytics to prioritize areas for improvement such as opportunities for data correction, and as a tool for evaluating planning efficacy.

This medical equipment leader continues to realize the benefits of utilizing the Prophet solution as their most recent metrics boast a reduction in the number of priority order shipments and a reduction in field inventory of \$1M while maintaining the high service levels and reliability that their customers expect.

## Results

- Reduction of priority order shipments and a reduction in field inventory of \$1M while maintaining a service level of 95%
- \$4M projected reduction in purchase forecast