



### RESULTS AT A GLANCE

250

+250 SKUs to sourced  
from 4 different countries  
and predominately  
marketed in North America

+\$2.7M

Targeted material and  
freight cost savings with  
alternative suppliers from  
low cost countries

30%

Productivity improvement  
in production shop floor

22%

Finished goods inventory  
reduction

### Markets & Products

Medical Devices  
Human and Vet Markets

## A Medical Device Producer Optimizes Supply Chain and Diversifies Supplier Base to Reduce Cost and Minimize Disruption



### Situation

A leading producer of daily-use insulin pen needles, syringes and select complementary products for human and animal diabetes care markets, was looking for consulting support to improve supply chain efficiency and identify secondary or alternative source to de-risk and further diversify existing supply base.

Compounding the challenge across all was the limited internal capacity and capabilities of product development, procurement, technical and engineering, and warehouse distribution for efficient operations. In addition, the heavy reliance on a major supplier and lack of secondary or alternative sources puts the company at significant risk of production and distribution disruption in case of macroeconomic or geopolitical issues.

### Argo's Actions

Argo evaluated all aspects of the operation as well as ongoing improvement efforts and their results and provided a list of potential operational improvements and associated risks with impact on EBITDA and cash flow

- Overall project divided into **5 work-streams** across all functions
- Identified production improvement areas and developed action plans to **reduce direct labor by 30%**

- Conducted **freight data analysis** and recommended **negotiation strategy** to renew inbound and outbound freight contracts with overall **freight reduction of 8%**
- Setup **new inventory safety stock level** based on sales forecast and supply chain lead time, **reduce finished goods inventory by 22%**
- Recommended **alternative suppliers' qualification from low cost countries** and the action plan, estimated **material and freight cost savings are +\$2.7M**
- **Implement** formal Sales, Inventory and Operations Planning (SIOP) **process** and **Standardize** receiving and shipping **processes**



Argo is an operations improvement consulting firm that breaks through the traditional barriers of the consultant-client relationship. We are hands-on consultants who deliver real results and no excuses.