

Arjo Automates Inventory Management and Saves Over 95% of Work Hours



At a Glance

ORGANIZATION

Arjo

REGION

Canada

KEY CHALLENGE

Manual management of stock transfers between warehouses

KEY BENEFIT

Automated inventory management of spare parts & working capital saving over 95% of work hours.

INDUSTRY

Medical Devices

END USER MARKET

Hospitals and Long-Term Care Facilities

SOLUTION

SYSPRO 8



Customer Profile

Established in Sweden in 1957, Arjo is a medical devices, services and solutions company that improves the everyday lives of people with reduced mobility and age-related health concerns. Today, Arjo is helping people in more than 60 countries by providing products like medical beds, hygiene, disinfectants, and patient handling equipment.

The Business Challenge

In Canada, Arjo has multiple warehouses spread across various regions that hold spare parts inventory used by technicians to service customers. All facilities rely on one primary warehouse to replenish depleting stock. Arjo was managing these stock transfers manually and wanted to automate stock replenishment and streamline its processes to make them efficient and error free while decreasing the work hours spent on manual work.

The Solution

To automate the stock transfer process, Arjo used the Supply Chain Review program which is part of SYSPRO's Requirements Planning module. The program determines when stock is needed in certain warehouses based on established minimum and maximum inventory levels and it will automatically suggest and create supply chain transfers to fulfil that need. Operators can review the suggestions and create the supply chain transfers automatically.

The Outcome

Arjo expects tremendous working capital savings from **\$100,000** to **\$250,000** in three to six months and productivity has improved drastically. A process which earlier took about 65.5 work hours to complete, was error-prone and involved more than 50 people, can now be done by just one person in under an hour. They now have one person responsible for inventory review and valuations. Getting the approvals for stock transfers through reviews is now automatic. This liberates all others from the responsibility of accurately maintaining and managing inventory.

Customer Centricity Driving Arjo

“We have a commitment to our customers and promise them a high on-time repair rate. Our process wasn’t efficient enough to consistently deliver on our promise. Every month, one of our service directors would spend three hours to create a spreadsheet which had details of supply stock inventory and sent it to all 50 technicians,” says Stephen Kay, Director of Logistics at Arjo. “Each technician spent an hour reviewing and updating their requirements in that spreadsheet and sent it back to a central operator who spent about 15 minutes per technician to review and compile all of this information and created stock transfers manually.”

This entire process was one of the many tasks that Arjo’s sales and services management group was handling. Stephen realized that it was impacting employee productivity and undertook a review of their process. “It was managed through spreadsheets and relied on technicians to say what they need and when they need it by,” says Stephen. “This was more of a pull model inventory rather than a push model inventory and it was extremely inefficient and led to inaccuracies. If the technicians didn’t have the required inventory in stock of a particular spare part when it was needed, they would have to wait until the part arrived from the central warehouse to service the customer.”

SYSPRO Delivers on Its Promise

Arjo, a SYSPRO customer for over 20 years, reached out to the Solutions team at SYSPRO to see how they could help. SYSPRO evaluated the process and offered its Supply Chain Review program (part of the requirement Planning Module in SYSPRO 8). This program automatically suggests supply chain Transfers. This eliminated the need for technicians to manually compile a list of their stock code requirements and send this list to the person responsible for creating the supply chain transfers.

Now, running SYSPRO’s Supply Chain Review program takes about 30 minutes and another 30 minutes are spent by an operator to review the requisitions that it suggests. SYSPRO completed the deployment in one phase. Stephen says, “This saves us more than 90% of manhours. It has helped us eliminate errors and freed up time from resources who can proactively do what they are actually supposed to do. I have now been able to move the ownership of this process away from the Sales and Services group to the Supply Chain group.”

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In the next three to six months, we expect to see working capital savings in between \$100,000 to \$250,000. We are already saving over 95% of work hours.

- **Stephen Kay** – Director Logistics, Arjo Canada

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About SYSPRO

SYSPRO is a leading, global Enterprise Resource Planning (ERP) software provider, specializing in key manufacturing and distribution industries. Our Industry-built solutions and services are designed to make things possible.

SYSPRO's ERP solution empowers customers to take the next step – whether it is expanding into new territories, adding new product lines, transforming business processes, or driving innovation. Through our ERP software, customers gain access to solutions, processes, and tools to assist in the management of data for key business insights and informed decision making. The solution is scalable and can be deployed in the cloud, on-premise, or both, and accessed via the web on any device to provide customers with choice and flexibility.

As a trusted advisor, SYSPRO remains focused on the success of partners and customers. With a strong commitment to channel partner growth, SYSPRO customers are backed by a team of global experts that drive maximum value out of IT systems and business solutions. We are committed to addressing the unique needs of our customers, enabling them to easily adapt and remain resilient. Our evolving solutions are aligned with industry trends and leverage emerging technologies that will enable partners and customers to secure a digital future and to gain a competitive advantage.

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