



Productive Plastics, Inc.

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Medical Diagnostic Instrumentation

Background

A world leading manufacturer of medical diagnostic instrumentation and medical devices with annual revenue of more than \$1.7 billion, offering a wide range of products, systems and services designed to meet the day to day needs of clinical laboratories. In addition, this organization has won the prestigious Pinnacle Award for supplier excellence for 2006 and 2007. This award is presented by the Premier Healthcare Alliance.

The Problem

In a word...**delivery**. On time delivery defined as zero days late and complete line item quantity is critical when working in a just-in-time (JIT) environment. Unfortunately the current supplier of custom enclosures for their top selling product line was running in excess of six weeks late on many components and did not have the infrastructure to support JIT delivery requirements on an ongoing basis.

Due to poor supplier performance, the medical diagnostic instrumentation company found that revenues were off in excess of 15% for five consecutive months and their reputation for meeting customer requirements in less than industry lead time was suffering.

They approached Productive Plastics to see what could be done. They had previously used Productive Plastics but due to pricing pressures on this critical product line decided to use a competitor who was offering a lower purchase price.

The Solution

Productive Plastics proposed a plan requesting access to the customers' web-based forecasting schedule that would allow Productive Plastics to see the short term need of delinquent parts, purchase raw materials and block production capacity prior to moving any tooling.

The Result

As tooling for critical parts moved to Productive Plastics, parts were being made within 48 hours of receipt. Because of its lean manufacturing initiatives Productive Plastics was able to run smaller lot sizes economically which allowed them to fulfill back orders created by the competition within 45 days.

Not only was the customer back on track from a delivery perspective, realizing an additional 15% of monthly revenue but they also realized a reduction of inventory due to Productive Plastics' willingness to build smaller lot sizes, subsequently cutting the customers raw material inventory by 60% for the custom enclosures required on this product line.

For the previous three years Productive Plastics has maintained a 99.66% on time delivery performance rating and a 98.75% quality rating while producing some of the most demanding products on the market today.