



CUSTOMER SUCCESS STORY

Sunset Healthcare Solutions

Manufacturer and Distributor of Home Healthcare Solutions uses Valogix Inventory Planner to achieve high fill rates while growing over 20% per year since 2011.

Quick Facts

Company

- Name: Sunset Healthcare Solutions
- Location: Chicago, IL
- Industry: Home Medical Equipment Distributor and Manufacturer (HME)
- Products and services: respiratory supplies, home medical equipment and accessories
- Items managed: 2,500 SKUs,
- Web: <https://sunsethcs.com>

Challenges

- Variable demand patterns
- Onboarding large customers
- Maintaining reorder points
- Lack of dynamic forecast
- Wrong mix of inventory
- Inefficient use of planning staff time

Objectives

- Reduce planning time
- Optimize stock levels
- Maintain high fill rates
- Reduce shipping time to customers
- Increase Customer Satisfaction
- Increase planning efficiency



“After 6 years of over 20% annual growth we grew the business by 85% in 2017 and 43% in 2018 and I will say it would not have happened if we did not have Valogix. Valogix was a part of that success story.”

Brad Sherman
CFO/COO
Sunset Healthcare
Solutions

SAP® Certified
SAP Business One Integration

Why Valogix?

- Dynamic automated forecasts
- Tight integration with SAP® Business One
- Ability to capture and manage spikes in demand
- Automated reorder points

Benefits

- Reduced time required to perform inventory planning by over 50%
- Improved order fill rates to 95%
- Reduced expediting
- Reduced stock-outs and backorders
- Reduced inventory weeks-on-hand

Previous Planning Approach

SAP MRP and complex, time-consuming spreadsheets .

New Solution Approach

**SAP Business One and
VALOGIX Inventory Planner**



Sunset Shines With Growth and Customer Satisfaction

Chosen by over 1,600 HME providers for respiratory supplies, home medical equipment, and accessories, Sunset Healthcare Solutions is founded on great value and customer Service.

Since 2004, Sunset has established a national presence with its small business ethos: **"high quality products can be affordable, and personalized service is invaluable"**. The company's success has placed it in the Inc. 5000 Fastest Growing Private Companies in America nine times since 2011.

After implementing SAP Business One in 2011 to provide better insight and enhanced processes targeted towards increased customer satisfaction and profitability, Sunset found they needed to continue to use Excel as part of the inventory planning process.

"With SAP's MRP module we were still having to use a custom spreadsheet" said Brad Sherman, Sunset's CFO/COO, "We downloaded to that spreadsheet all the time. Every time something changed, you had to readjust the spreadsheet. The efficiency of that was horrible and resulted in bloated inventory for some items while other items experienced shortages which required extra time and expense to expedite."

"Valogix enables you to manage spikes in demand and determine what inventory you need to carry to maintain a service level. We have had a long run where we have been able to achieve service levels between 95% to 98%".

**Brad Sherman
CFO/COO
Sunset Healthcare Solutions**

Dynamic Forecasts Enhance Planning for New Customers

Bringing on new large accounts creates significant inventory planning challenges, especially when items have lead times of 90 to 120 days or more. For Sunset these customers create what Sherman refers to as ***"stair-step growth."*** He notes that ***"Valogix gives us the ability to manually forecast as well as manually adjust history which we've continued to refine. This enables us to take advantage of the enhanced view of history and forecast to monitor and plan for the stair-step growth."***

According to Sherman, ***"manual forecasts, as you well know come with their own set of pros and cons, but we've learned that Valogix handles most everything exceptionally well. However the stair-step growth is something that we have to internally adjust for and communicate and we've built monitoring tools around that because we have the ability with Valogix to get these customized reports which provide us with additional insight we could not obtain from SAP Business One alone."***

Optimized Planning Provides Long-Term Benefits

By combining powerful forecasting functionality with optimized reorder points based on a user defined target service level, Valogix has provided Sunset with the ability to increase fill rates while simultaneously reducing the weeks of on-hand inventory.

According to Sherman, ***"It's a lot of work, and its not simple to do. There are complications that come with automation, and companies growing and changing, making sure that your automations are working and monitoring them, getting data validations and getting exception reports out of that."***

We've had growing pains along those lines, but we are getting pretty darned sophisticated with SAP Business One. We do a pretty good job of enhancing what it can do and enhancing it ourselves where we can."



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