



CUSTOMER SUCCESS STORY

Laboratory Equipment
Distributor Implements
VALOGIX® Inventory
Planner to Manage Merger

CAMLAB LTD.



Quick Facts

Company

- Name: CamLab LTD
- Location: UK
- Industry: Wholesale distribution
- Products: Laboratory Equipment
- Items in inventory: 40,000
- Web: <http://www.camlab.co.uk>

Challenges

- Inventory management system recommending purchases of already out of balance inventory
- Excessive amount of dead and Inactive stock due to merger
- Increase service levels for A and B lines

Objectives

- Properly re-balance and optimize inventory
- Reduce redundant and inactive stock following merger
- Better management of A & B lines with greater efficiency and service levels

SAP® Certified
SAP Business One Integration

“We used to spend an entire day creating orders by running multiple reports to avoid over and under-purchasing. Since implementing Valogix we create our orders in less than three hours.

We have increased our productivity by 30 hours a week and by only ordering what we need, we’ve significantly reduced our excess stock.”

Maurice Riley
CamLab LTD

Why Valogix?

Strong recommendation by local UK distributor as the solution to their business challenges and due to high ROI from Valogix solutions.

Benefits

- Decreased inventory investment by nearly 10% in 6 months
- Reduced dead and inactive inventory by almost 50% in 6 months
- Increased productivity by 75% or 30 man hours per week
- Achieved return on investment in 6 months
- Increased service levels in A and B lines while experiencing reduction in inventory levels
- Increased service levels in C and D lines

Previous Planning Approach

Spreadsheets, reports and another business system

New Solution Approach

VALOGIX Inventory Planner & SAP Business One



“Before implementing Valogix, we would spend 8 hours a day, five days a week on our planning and purchasing procedures. After the Valogix implementation, we spend just two hours a day and know the numbers are spot on.”

—Maurice Riley, Operations Manager

Merged Companies Result in Redundant Stock

In 2007, Camlab Ltd, a laboratory equipment distributor acquired Patterson Scientific Ltd, combining inventories for total of 40,000 SKUs and a value of £1.6M (approximately US\$2,400,000). Housing the stock at a central location was an expensive and time consuming task.

“We knew we had a major issue with redundant, dead and out of date inventory. But our software continued to recommend purchasing additional stock of the same items,” comments Maurice Riley, Operations Manager at Camlab.

Several months after the merger, the purchasing staff was still manually manipulating spreadsheets to re-balance the inventory. They had managed to significantly reduce their investment to £800’000 (approximately US\$910,000) through write offs and attrition; however, they knew there was an easier and more efficient solution.

“We spent at least 8 hours a day sorting through spreadsheets to manually approve or delete the purchase orders our software was recommending,” notes Maurice. *“Even spending a whole day, every day of the week was not enough time to get it all done and the process was laden with errors.”*

Desperate for change, Camlab reached out to their software consultant, Balloon One, distributor for VALOGIX® Inventory Planner in the UK

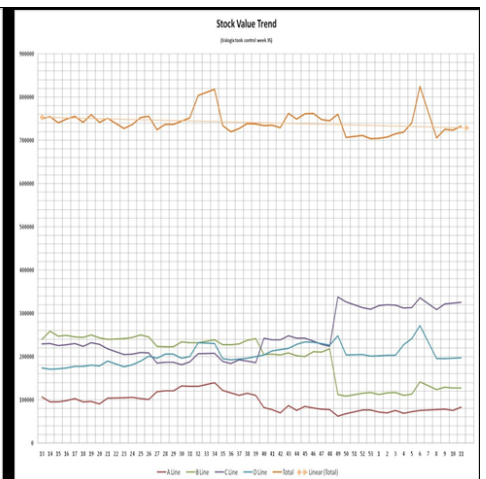
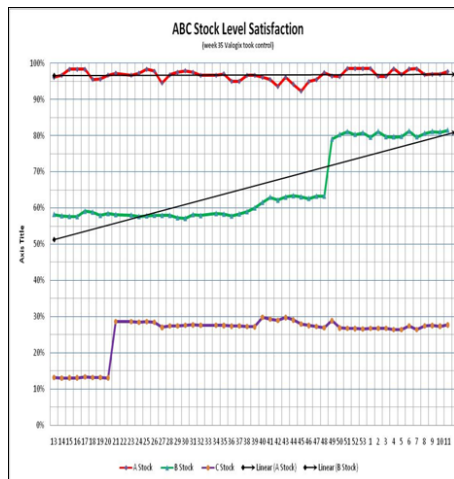
The Downward Trend to Balanced Stock

One of Camlab’s priorities was to re-balance their inventory for the A and B lines while increasing service levels across all lines. After implementing VALOGIX, their overall inventory spend decreased over the previous six months and their service levels

Dead inventory, once valued at £384’000 (approximately US \$436,352) experienced a decrease of nearly 50% in just six months and is now at just £202’000 (approximately US \$229,539).

Automated Systems Lead to Fast Return on Investment

In addition to spending and inventory reductions, Camlab has seen enormous gains in productivity. What was once a job that consumed every day of the week is now a 10-hour a week process.



As seen in the graphs above, beginning at week 35 when Valogix was implemented, Camlab experienced a dramatic increase in service levels across all lines while realizing a 7.5% decline in overall inventory value down to £740,000 (approximately US \$841,000).

Camlab estimates they save approximately 30 hours a week or £15’278 per year.(approximately US\$20,677) per year.

Camlab achieved full ROI in February 2010—just six months after implementation.

