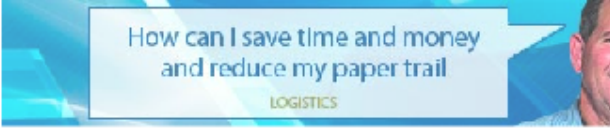



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Bandage manufacturer heals inventory problem

Bandage and dressing manufacturer Mölnlycke Health Care has cut inventory and smoothed forecasting, following the successful implementation of a business improvement programme across the group.



Mölnlycke designs and manufactures single-use surgical and woundcare products at its factory in Oldham, as well as other six other production locations in Europe and the Far East. The Gothenberg-headquartered manufacturer has worked with consultancy Oliver Wight to implement advanced sales and operations planning (integrated business planning) over the past two years and has now been awarded Class A status.

Mölnlycke needed to achieve better integration across the organisation. The company badged the integrated business planning programme 'Mölnlycke Business Management' (MBM) to ensure it was seen as a core part of the organisation, says project director, Don Harding. "It's had an impact on a lot of people. It's ours, and it's how we manage our business."

As well as improved integration, forecast bias was reduced almost overnight. Prior to the project, the sales team deliberately created high forecasts to ensure product availability and this led to high inventory levels. "One of the central pillars to our business culture is customer focus," says Harding. "I'm immensely proud of that, but it turns out it was driving a significant forecast bias."

He adds: "We have achieved a significant milestone, but the journey continues. We're now looking at other aspects of the MBM, including demand reviews, and integrating the product review financials. It's all about continuous improvement."

Pictured: Oliver Wight partner Steve Rowntree (left) with Anders Klinton, Mölnlycke VP for supply chain management, and project director Don Harding

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