CUSTOMER CASE STUDY

OEM TO OPM CONVERSION FOR CRITICAL MANUFACTURING SPARE PARTS (TCO)

PROJECT OVERVIEW

CUSTOMER:
Multinational biopharmaceutical company

MARKET SECTOR:
Life Sciences

LOCATION:
New England

PRODUCT:
Critical Manufacturing Spare Parts (TCO)

CHALLENGE:
High costs and extended lead times on critical spare parts increased budgetary strain and supply chain risk

SOLUTION:
A more direct supply chain solution, removing intermediaries who drove up cost

OUR ADVANTAGES:

- Deep understanding of supply chain management and good manufacturing practices
- Extensive connections with MRO parts manufacturers and vendors
- Personalized service by supply chain consultants

CHALLENGE:

Historically, the customer sourced bed support screens through the Original Equipment Manufacturer (OEM) of their chromatography columns. However, the OEM didn't manufacture the screens and instead relied on a third party supplier who set the market price. As a result, the parts carried high costs, accounted for a significant portion of the site's MRO spend, and were subject to extended lead times — creating cost and supply chain risk for the operation.

SOLUTION:

Our supply chain consultants reverse-engineered the products and discovered the original designer and manufacturer of the part. This enabled us to remove supply chain layers, source the parts directly from the Original Parts Manufacturer (OPM) instead and pass the savings directly to the customer.

BACKGROUND

A multinational biopharmaceutical company contracted Ferguson Integrated Services during expansion of their New England facility. This customer faced significant budget challenges from the high cost of chromatography column parts needed for their expanding multi-drug manufacturing.

PROCESS

The Ferguson site team contacted the Original Part Manufacturer (OPM) to establish a direct relationship. Supply chain associates worked with the customer's engineering team to ensure change control procedures were followed and documented approvals were in place before implementing sourcing changes.

Our team obtained cut sheets and data sheets to compare the OEM and OPM products, confirming they were an exact match. Administrative work orders were then submitted to update manufacturer information in the customer's computerized maintenance management system (CMMS). The entire process was documented in accordance with Good Manufacturing Practices (GMP).

Also, by utilizing our ASP inventory management system integrated with the customer's CMMS, the Ferguson team worked in partnership with the engineering department to analyze manufacturing schedules. This collaboration allowed us to accurately forecast bed support requirements aligned with the product change-over schedules for the next six to twelve months. As a result, scheduled release purchase orders were created to cover the demand for the upcoming year, generating additional cost savings for the customer.

RESULTS

During the very first year of this sourcing change, we were able to pass along a 16 percent savings to our client with continued savings generated year-over-year. Ferguson delivers cost savings to our customers by applying our team's product knowledge and technical expertise to streamline the supply chain.

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