

CASE STUDY: ATTENDS HEALTHCARE

DAVID, GOLIATH & VENDOR MANAGED INVENTORY



Attends Healthcare is a global leader in manufacturing, marketing, and distributing adult incontinence products such as Ultima™, Confidence®, and the top-selling Attends® brand. The company supplies a full range of briefs, underpads, pads, pants, and skin care products — about 300 SKUs — to hospitals, nursing homes, and home-care networks. Headquartered in San Dimas, California, the \$160 million operation maintains manufacturing and distribution centers in North Carolina and California, with three distribution centers in Canada.



CLIENT:

"We looked at the big guys, but they weren't appropriate. They cost too much money and required too much support. Park City Group gave us the best functionality, the best forecast data, and the most flexibility for the price."

-Lisa Anderson, VP of Product Supply
Attends Healthcare Products

To find out more about Park City Group solutions, call us at 435-645-2000 or visit us on the web at www.parkcitygroup.com.

CHALLENGE:

SURVIVING MERGERS & ACQUISITIONS

Like many businesses in the past decade, Attends Healthcare underwent a dizzying series of mergers and acquisitions. This culminated in 2000 when the company acquired a division of Procter & Gamble that manufactures adult incontinence products. A few years later, Attends Healthcare spun off its other divisions, reinvented its adult incontinence (AI) division, and found itself in start-up mode.

Although Attends Healthcare used Park City Group for a few years prior to the mergers and acquisitions, it switched to IBM during that time frame because IBM was utilized by P&G for its supply chain planning. Attends Healthcare wanted to minimize disruptions of the P&G process. However, it wasn't too long before they realized that Inforum required too much support and offered too little functionality. That realization hit home when the company's number one customer — Cardinal Healthcare — wanted to continue with the rollout of a vendor-managed inventory (VMI) relationship and Attends Healthcare accepted the challenge. "We needed to support our customer with VMI," says Lisa Anderson, Attend's Vice President of Product Supply. Attend Healthcare tried IBM Inforum for its Cardinal VMI initiative. The results, according to Anderson, were less than satisfactory. "IBM wasn't the ticket," she says. That's when the company decided to take another close look at Park City Group.

SOLUTION:

THE COMFORT OF PARK CITY GROUP VMI

According to Anderson, when comparing Park City Group to its competitors, Park City Group offered a more attractive price tag combined with high levels of functionality and flexibility. Park City Group was the best overall solution. It showed what Anderson describes as "a lot of nuances" in how planners could enter forecast data, respond to a somewhat seasonal demand for certain product lines and channels, be alerted to and handle exceptions, and optimize pallets while building truck loads for orders. In the end, Park City Group's David toppled IBM's Goliath.

RESULTS:

ALIGNING SUPPLIER AND RETAILER

Park City Group helped Attends Healthcare adapt to Cardinal's standards. For Attends Healthcare, that meant getting a real-time view of demand, optimizing pallets and truckloads, bringing down inventory, and increasing service levels. Specifically, Attends Healthcare needed to improve Cardinal's metrics in inventory days on hand by 5-10 days and its service from the low 90s to 98-99%. The original implementation was smooth: Park City Group sent a two-person team to Attend Healthcare's headquarters to train the company's planners, set up their pyramids, and make the charts that would help them to manage their supply chain more efficiently. During the reimplementation, Attends Healthcare was able to implement with Park City Group support via Internet sessions.

Using Park City Group, Attends Healthcare receives the customer's EDI transactions for each Cardinal location, generates a forecast for each location, and then generates orders to Cardinal. Attends Healthcare planners monitor the forecast, manage forecast exceptions, generate orders, and optimize the orders by pallets and truckloads. This system enables the planners to view orders in transit, and to view and handle back-order issues. And it provides inventory and service metrics for the Cardinal distribution centers. In essence, it helps them pare down activity levels, get the right data, and make well-informed forecasting and replenishment decisions.

In addition to supporting VMI, Attends Healthcare utilizes Park City Group for in-house forecasting. The planners forecast weekly and utilize the forecast in the development of monthly and yearly budgets. Park City Group provides the tool, which has helped the planners improve forecasts better than ever before. Anderson says that this could be accomplished manually, but concedes, "We know our business, but Park City Group has the trends and statistical formulas." With those formulas, Attends Healthcare has better forecasts — and that means improved opportunity for productivity (fewer changeovers, improved manufacturing efficiencies, increased inventory turns, and improved service levels).

SUPPLIER OF THE YEAR: Cardinal created an award system, based on a scorecard of metrics, which included its VMI initiatives. Prior to implementing Park City Group, Attends Healthcare was off the awards map. But with Park City Group, they went from Bronze to Silver to Gold for improving its metrics, including service, lead time, and inventory turnover. Recently, Attends Healthcare was named Supplier of the Year.