

Customer Case - Getinge



REDUCES LOGISTICS
COSTS BY 15%

GETINGE IMPLEMENTS NEW LOGISTICS SOFTWARE FROM PRIMELOG

Global customers and deliveries demand efficient logistic processes, as the cost of transporting goods between continents is high. If costs can be reduced by only a few percent, the impact on overall financial performance as a whole is considerable. When the Swedish company Getinge Infection Control hired a new logistics director they did not know what changes lay ahead of them – and he probably didn't know either:

“When I was hired in 2010 we did an overall inventory of all logistics costs within our business area – it took us four months to collect all the data,” says Henrik Larsson, Director Global Logistics, Getinge Infection Control.

The results of the inventory showed an overall lack of cost control and transparency of the logistics processes. Within the company individual transport contracts had been struck with different vendors, creating high costs for each individual transport. Getinge was facing some serious challenges.

Global organisation – high demands on new software

Getinge is a Swedish corporate success story. Over the years the company has grown organically and through acquisitions.



Acquired companies have in some cases been incorporated fully into the group, and in other cases they have continued to act relatively independently of the group.

2010 proved to be an important year for Getinge Infection Control. A new logistics director was installed and a major inventory of all logistics processes was initiated. The result was disappointing and revealed several shortcomings.

The processes were fragmented as coordination among the business areas was lacking. It took, for example, four months to get an overview of the total logistics costs. Individual carriage contracts decreased opportunities for coordination and synergies; a decentralized environment made it difficult to get an overview of all processes; and poor control over the flow of goods made it difficult to provide service to end users – telling them where their consignments were and when they could expect arrival.

Criteria and requirements for a new system

The inventory made it obvious that Getinge needed to streamline its logistic processes. Primelog and Getinge thus commenced a feasibility study to identify the needs and criteria for a new logistics system. The pilot study consisted of interviews, data collection, review of processes and costs associated with them. Pretty soon it became clear that Getinge was in need of better cost control, better control of where goods were located, and a better overview over their entire logistics chain.

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Getinge simply needed better control of their processes, which included better integration with conveyors and a higher degree of automated processes, for example handling of invoices and incorrect waybills that historically had been a major time and income thief.

Selection process

After a careful and well-conducted pilot study, Getinge chose to move forward and implement Primelog TMS. In the selection process, there were other actors and solutions involved, but Primelog's offer to include an SaaS solution combined with a rapid implementation was the deciding point for Getinge.

Advanced solution – easy to implement

When the feasibility study was completed, work began to implement and design the Primelog TMS solution according to Getinge's requirements and processes. Requirements included: use in several geographic markets, lower the company's total logistics costs, provide better transparency.

Multi-Leg: improved customer service

Above all, for Getinge it was the process support for Multi-Leg transportation that triggered the final decision to go ahead with Primelog. Primelog's Multi-Leg module provides support for control and visibility across the supply chain, regardless of transport or the number of stops/reloads on the way. The module provides constant control and visibility for where the goods are located. The Multi-Leg module also enables better tracking of costs; the price of each individual shipment can be checked and evaluated.

The Multi-Leg module combined with fixed timetables and Getinge's own logistic hubs have given the company better control of all their transports. Better coordination and consolidated shipments to the same destination have saved both time and money. Using this approach has given Getinge more options and greater flexibility – they are now able to control their logistic chain according to their own preferences and are not as dependent on external carriers as before.

Analysis/follow-up: better management and more efficient processes

Today, all logistics chains run smoother and faster for Getinge. With the new solution from Primelog implemented, Getinge can quickly and more accurately make relevant follow-ups across its logistics chains and determine which modes of transport or roads are the most cost-effective for each destination. The whole process is faster and more efficient.

Reduced costs due to better visibility and control

With Primelog TMS, including some new contracts, Getinge has succeeded in lowering its total logistics costs by 15-20 percent! Using an SaaS model with a fixed monthly fee ensures that Getinge will not face any unpleasant or unexpected costs for software development or updates. Today Getinge can easily monitor and plan its costs and ensure that its savings potential are maintained.

Better overview

Getinge uses a "Control Tower", which acts as a service centre for all logistic services in the company. The Getinge European Control Tower operates with four full-time logistics specialists. One manager plus three dispatchers administrate the Infection Control's intra Europe and overseas shipments, including internal invoicing.



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Using logistic specialists has resulted in more efficient processes, as well as faster and more detailed information to customers about where their goods are located or when they will arrive. In short, better customer service.

Scalability and flexibility

Independently of market or geographical territory, Primelog TMS has made it possible for Getinge to connect all its logistic processes. The improved transparency has resulted in better control and visibility. Another positive effect is that environmental aspects also can be reviewed and taken into account.

Getinge gears up with Primelog – North America next

Cooperation between Primelog and Getinge will soon be expanding. Because of successful results in Europe, the Primelog TMS solution will also be rolled out in North America. Getinge expects that the new solution will generate about 10-15 percent in cost savings.

“I’m pleasantly surprised that it’s been so easy to implement a new logistics system for the entire company, moreover, on time and within budget. Primelog’s solution has proven to be flexible and scalable, which has been essential in order to implement our logistics strategy from continent to continent. The fact that our total logistics costs have been reduced by 15-20 percent makes it even better”, says Henrik Larsson, Director Global Logistics at Getinge Infection Control.



ABOUT GETINGE GROUP

Getinge Group manufactures products and systems for the healthcare industry. Getinge provides solutions for infection control within healthcare and contamination prevention within life sciences. The company has major manufacturing plants in Växjö and Getinge, Sweden. Customers are global, which puts great demands on efficient and reliable logistics processes.

For more information, visit: www.getingegroup.com

ABOUT PRIMELOG SOFTWARE

Primelog is a leading provider of SaaS (Software as a Service) in northern Europe. We help our clients with global supply chains to improve their operations through better control, lower costs and higher service levels. Our logistics skills and our software, Primelog TMS, attract global customers – the largest and most influential companies in their sectors. Primelog operates through its own offices and partner networks in Europe and North America.

For more information, please visit www.primelog.com

