

Medical Devices: Data Driven Savings



This \$1.8 billion medical devices and diagnostics company turned to Xerox for savings identification and sourcing support. Together we delivered serious bottom line results.

30% Savings

THE CHALLENGE

- Increasing global competition in the medical devices and diagnostics industry
- Enterprise-wide cost reduction targets mandated by Senior Management
- Lack of benchmark cost data
- Immature sourcing practices
- Regulated industry leads to high supplier transition costs
- High costs tied to fluidics and pneumatics components and sub-assemblies

THE APPROACH

- Leverage our proprietary systems and global benchmark data
- Develop “should” cost estimates beginning at the line-item level BOM
- Evaluate current supplier pricing against cost estimates to identify gaps in material, labor, and overhead.
- Work with Client to develop an effective fact based negotiation strategy for face-to-face supplier discussions

THE RESULT

- Reduced sub-assembly costs by more than 30%
- Achieved annual savings of over \$1million.
- Established an ongoing cost-reduction plan with supplier
- Expect additional savings of 10-15%

