Balloon

Camlab

Integrated warehouse IT is the right chemistry for Camlab

ABOUT

Laboratory products supplier Camlab has driven down inventory costs and achieved 99 per cent accuracy in its warehouse after introducing warehouse management solutions from Balloon One. With these technologies, Camlab has reduced stock costs by £100,000 in the last 12 months alone. Due to the accuracy of forecasting replenishment, it expects to reduce stock holdings further while maintaining customer service excellence.

Camlab is a well established key supplier of laboratory and testing equipment with a history reaching back more than 60 years. Following the acquisition of Patterson Scientific in 2007, the company had a total inventory of 55,000 SKUs (stock units) valued at £1.4 million.

This was fantastic news for customers, enabling them to procure everything from a single source. However, it resulted in a major warehouse management issue for Camlab because the company's original computer system was proving inflexible and unable to support its business.

"The old system was an issue for the business. For example, we couldn't add new products, we couldn't change prices, it had no batch control and we couldn't use it for serial number tracking. We put everything into the warehouse in numerical order and we relied heavily on expertise of the warehouse staff to locate products and pick orders accurately. Also, stock-taking was an annual event and we were lucky to get 75 to 80 per cent accuracy," said Rowan Maulder, Marketing Director, Camlab.

Taking decisive action, Camlab replaced its ageing computer system with a SAP Business One enterprise resource planning (ERP) solution. Although the new ERP software offered a warehouse management module, Camlab reconised that it would not perform the job it needed for managing such a massive number of product lines.

Balloon

"Our SAP partner recommended Balloon One as our warehouse IT partner. The company has significant and demonstrable expertise in integrating warehouse management systems with SAP. Its radio-frequency warehouse management system offered the flexibility, accuracy and speed we needed to automate the warehouse for maximising efficiency and reducing operational costs'. The system quickly provided 95 per cent accuracy, which was a big leap forward for us and now we consistently achieve over 99 per cent accuracy. The annual stock take is a thing of the past as we now have a perpetual inventry allowing full and instant visibility of stock and stocking levels," said Rowan Maulder.

"Pre warehouse automation, we had six people in the warehouse - now it's just three. Because it is easy to use and requires little training, we can quickly deploy more people to help with picking if we need additional support. It guides staff to the right product and the correct location, tells them the amount and verifies the pick," said Rowan Maulder.

SAP® Business One

With the Balloon One system, all Camlab stock is barcoded on arrival at the warehouse. Scanning the bar code labels with a radio frequency (RF) terminal records them on the system. It also allows product lines to be located wherever there is available space to maximise use of the warehouse. The warehouse barcoded location ID is scanned with the number of items entered onto the system, enabling it to know precisely the levels and whereabouts of each product line. The system also enables full traceability of all Camlab products. Order picking is the reverse process and utilises the RF terminals to quickly locate the products and scan the items as they are removed from stock, keeping the system up to date.

Generally, companies will buy and hold extensive stocks of faster moving items to meet customer expectations and service levels. They will also attempt to limit stock levels of slower-moving products. Such approaches are either guess work or require a lot of time for analysing past sales reports and purchase orders in an attempt to work out buying trends, rate of supply and so on. Camlab takes a much more scientific approach and uses an artificial intelligence-based inventory planning tool from Balloon One.

Six months after the introduction of the software, Camlab reduced inventory by almost 10 per cent. This saving paid for the software. It also reduced dead and inactive inventory by 50 per cent within the first six months of use and increased weekly productivity by 75 per cent. The software analyses every single product line – numbers of items, turnover, buying patterns and supply. In a year, it has reduced stock investments by £100,000 – money that Camlab no longer needs to tie up in inventory.

"The software allows us to drive service levels and manage our costs; let me explain. We have three levels of satisfaction for our different product lines. A products we run at 95 per cent, B at 80 per cent and C and D at 20 per cent satisfaction levels. It has given us a clear view of our inventory and allows us to take firm control. For example, we are able to ignore many of the lead times quoted by the manufacturers as the software monitors what is actually going on in the supply chain. It helps to balance the stock and reduce stock holding. A year ago, we held £750,000 of stock and now it is nearer £650,000 whilst maintaining satisfaction levels. It is a brilliant piece of software," said Rowan Maulder.

QUICK FACTS

- Established 65 years ago.

- Headquarters in Cambridge.

BUSINESS CHALLENGE

- The company's original computer system was proving inflexible and unable to support its business.

SOLUTION

- Radio-frequency warehouse management system.

ABOUT BALLOON ONE

Balloon One distributes, implements and supports business software and supply chain applications for distribution, manufacturing and e-commerce companies. We typically work with organisations that turn over in excess of £4m.

We recommend solutions and tailor them so that they correspond perfectly to our clients' needs, helping to streamline processes, save resources and costs, give companies the information they require when needed and to manage operations to improve efficiency.