

Automating Vendor-Managed Inventory for Vastly Better Efficiency

How a Leading Medical Company Solved Its Toughest Inventory Challenges with Zebra RFID Inventory Management

The Challenge: Vendor-Managed Inventory

A leading U.S. medical company, which supplies therapeutic wound care solutions to hospitals and medical centers, was facing a significant challenge in its vendor-managed inventory (VMI) program.

The company makes daily deliveries and manages inventory for its customers through the VMI program, but delivering, invoicing, and proactively managing thousands of wound care products and inventory items can be a challenge. This is especially the case when day-to-day usage and replenishment requirements can vary at each hospital or location.

Even with barcode labels and mobile software to scan and track every item, there was a lot of manual scanning required, which took significant time to perform and created risks of missed scans or errors. Plus, as each customer used products and inventory, there were additional tracking, scanning, and inventory

COMPANY

 A leading U.S. wound care solutions provider

CHALLENGE

- Manual scanning of thousands of inventory items
- Slow scanning, invoicing, and inventory management process
- No quick and easy visibility into usage and replenishment needs

SOLUTION

- Zebra RFID labels
- Zebra RFID readers
- Xemelgo RFID software

RESULTS

- Automated tracking of used and remaining inventory
- Wireless inventory identification without barcode scans
- Capture of large volumes of items with a single read
- Easy mobile invoicing, replenishment, and management
- Full integration with ERP business system

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counts required at each location, so the company would know which items were used and needed to be invoiced and replenished.

To provide better inventory management and enable faster, more efficient, and more accurate replenishment, the company needed a way to track and manage inventory automatically, without manual scanning. It also needed clear indicators of used or dwindling inventory levels and potential out-of-stocks, so it could always have clear visibility into every delivery and every replenishment requirement on its customers' behalf.

To develop a more effective system, the company reached out to AB&R, a leading provider of automated data capture and inventory management solutions and Zebra Technologies, a leading global manufacturer of radio frequency identification, or RFID, solutions.

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The Solution: Zebra RFID Inventory Management

As a leader in automated data capture, mobile computing, and inventory management solutions for over 40 years, AB&R has extensive expertise in RFID technology and in designing and deploying more automated, efficient, and accurate inventory management systems.

To help design a better VMI program for the medical products company, AB&R worked with the business to evaluate its current inventory management process and workflows and recommended Zebra's RFID

technology as a way to better automate and streamline the process while enabling more immediate visibility into inventory usage and invoicing requirements.

Instead of manually scanning barcodes to identify and track inventory, RFID readers can automatically identify and locate large volumes of labeled or tagged items with a single read...

In designing and building out the improved VMI system, AB&R selected Zebra RFID solutions as the core technologies to enable automated inventory tracking.

Zebra RFID allows inventory items to be tagged, tracked, and located using printed labels that include an embedded microchip, which contains a unique item ID and two tiny microtransmitters that communicate wirelessly with RFID readers.

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large volumes of labeled or tagged items with a single read, allowing entire rooms or aisles of inventory to be tracked in just seconds.

As items enter or leave a given supply room or inventory area, their presence and absence can be detected automatically, using Zebra fixed RFID readers that sense whenever an item leaves or arrives. Alternatively, a sales associate or inventory manager can use a Zebra handheld RFID reader to quickly read tags in a location and automatically detect which items are still there and which have been removed and used.

This allowed AB&R to design and deploy a system that uses Zebra RFID printers to print $4'' \times 2''$ RFID labels and apply them to product boxes and to wound care solutions or devices. Then the medical company ships and delivers those products to a hospital or another customer location.



Once the products are in stock, one of the company's team members makes a regular visit every few weeks for inventory management and replenishment. The team member uses a Zebra handheld RFID reader to quickly read and identify all tagged products, detect which ones are now missing and in need of replenishment, and promptly issue invoices for any used items, replenish items that are needed, or place orders for future delivery.

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It is all managed by a Zebra MC3300 XR, a handled mobile RFID reader that reads all the RFID labels wirelessly and runs the Xemelgo RFID software app. The Xemelgo app works seamlessly with the RFID reader to identify, track and locate each available or missing item, allowing the user to quickly transmit and share results with the medical company's Microsoft 365 enterprise resource planning (ERP) system, to generate invoices and automatically manage replenishment and transactions on the spot.



All inventory and replenishment data, transactions, and invoices are securely transmitted and shared with Microsoft 365, which manages all of the transactions and the business and financial aspects of the VMI program for the company and its customers.

Additionally, since RFID uses wireless radio waves to detect tags and communicate with readers, the company's personnel never need to scan individual barcodes or have access to a label. Radio waves not only detect large numbers of RFID labels in seconds, but they detect them regardless of whether the label is visible or not.



The Results: Vastly More Efficient Inventory Management at Less Cost

Since implementing Zebra RFID and its improved inventory management system, the company has seen dramatic results and improvements.

When visiting its VMI customers, the entire inventory management, invoicing, and replenishment process is now completed in vastly less time, with automated and wireless efficiency that's far beyond the capabilities of barcodes and manual scanning.

Its sales and delivery personnel now use a largely automated process that helps them quickly know:

- · What's still on hand
- · What's been used
- · What needs to be invoiced
- What needs to be replenished

For a limited up-front investment and the relatively inexpensive long-term costs of printing RFID labels and inlays, the company has achieved huge cost savings and efficiency improvements...

This saves them a huge amount of time and effort on every delivery while it saves the company significant money on labor and helps ensure more prompt, reliable, and error-free inventory management for its customers.

For a limited up-front investment and the relatively inexpensive long-term costs of printing RFID labels and inlays, the company has achieved huge cost savings and efficiency improvements that have not only paid for its new system in a matter of months but are now generating significant return on investment into the future.

How to Learn More About RFID

To learn more about automating vendor-managed inventory with Zebra RFID, if this technology is right for your business, and explore system design, testing, and implementation recommendations, connect with our RFID experts at AB&R.

As a long-time leader in RFID, data capture, and inventory management solutions, we've provided businesses and industries with advanced technology to identify, track, and manage inventory and assets for over 40 years. As trusted experts in technical innovation, supply chain performance, and cost savings, we'd be happy to provide a free consultation and professional advice and assessments to help you explore RFID further.

To get started, <u>contact us now</u>, and let's get to work on automating your inventory management.





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