Business case

Optimizing the Industrial and Logistics Footprint of a Medical Devices Manufacturer

PRACTICE
Operations

SECTOR
Health

DURATION OF THE MISSION
3 months

KEPLER

Overview

Our client, a medical devices manufacturer, wants to improve its EBITDA by closing a production and logistics site and transferring the activity to its main site.

KEPLER offers to implement a strategy based on the formalization of the target organizations and the review of total full costs related to logistics.

Context

- A complex industrial and logistical organization: two production sites and four storage sites
- Redundant logistics and industrial tasks
- Total full costs hard to measure
- Transfer impacts – EBITDA, cash flow – uncertain for the Codir

Objective(s)

Gaining in Sustainable Productivity

- Simplifying physical and information flows
- Assessing EBITDA gains including additional costs and CAPEX
- Analyzing the risks of an industrial transfer including regulatory impacts
- Building a transfer roadmap including the WCR impact, and resources

Our Approach

Health
Mission: 3 months

Methodology

1 **Review of the total full costs** related to logistics

2 **Formalization of the target organization** (number of staff, m^2)

3 **Costs analysis and cash impacts related to the transfer** (extension, stock increase...)

4 **Calculating cash impact and EBITDA** (Deviation from total full costs As Is)

5 **Identifying key steps for transfer** (social / regulatory / stock increase...)

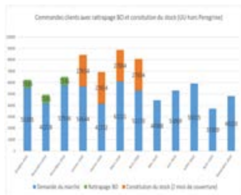
6 **Initializing transfer** (PMO, target process workshop...)

Levers and tools

- **Flow modeling**
- **PMO – Continuity plan**
- **AMDEC**

Investments list

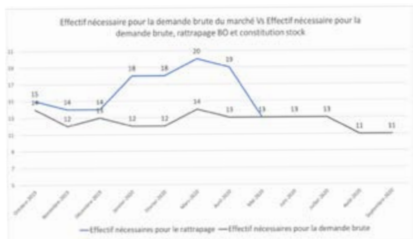
Stock projection



EBITDA & Cash-flow

(k€)	2018	2019	2020	2021	2022	2023	2024
Cash out associé à l'extension	-758	-1 551	-547	-92	-88	-84	-41
Cash in associé à l'extension	490	135	-	-	-	-	-
Impact opérationnel	8	359	740	887	886	885	885
Cash flow total	-260	-1 058	193	795	798	801	844
Cash flow cumulé	-260	-1 318	-1 125	-330	469	1 270	2 114
Cash Flow - actualisé	-260	-1 034	185	743	729	715	736
EBITDA	8	-551	289	887	886	885	885

Target capacity



Results

Health
Mission: 3 months

Target organization: process & organizational chart

Business plan with EBITDA gains impacts

Transfer plan and initialization

"The main challenge of such a mission is to produce a consistent roadmap, taking into account the construction of a site, business continuity, industrial transfer and regulatory changes. Within a maximum of two years."

Edouard ALQUIÉ
Director, Operations Practice Leader

Contact

Our Offices

Visit Us | Kepler-consulting.com

EUROPE

32 boulevard Haussmann
75009 Paris – France

info@kepler-consulting.com

Tel.: + 33 (0)1 44 75 05 35

USA

159 N. Sangamon Street, Suite 200
Chicago, IL 60607-2201 - USA

usa@kepler-consulting.com

Tél : + 1 (708) 969 1963

CHINA

Room 351, 3F, No.135 Yanping Road,
Jing'An District,
Shanghai, 200042, China

china@kepler-consulting.cn

Tel.: +86 (0)21 - 6117 0311

INDIA

#312, DBS Center, 31A, Cathedral Road
Nungambakkam, Chennai
600034 - India

india@kepler-consulting.com

Tel.: + 91 (0) 44 40 50 92 00

Contact the Author

Edouard Alquié
edouard.alquie@kepler-consulting.com