

Live-or-Die Lean

Fortify initiatives with enhanced sales and operations planning

CHALLENGE: Improve production, inventory, and demand flow with leaner processes

PRODUCT SOLUTION: Smoothie by Demand Works

COMPANY: Conmed Corporation

FACILITIES: Utica, New York

OPERATION: Manufacturer of disposable and consumable surgical devices

The challenge

Meeting customer demand especially is important when health care facilities rely on your product to perform lifesaving procedures. In the past, Conmed leaders had achieved operational efficiencies with a lean manufacturing initiative. To further level production, optimize inventories, and fine-tune demand-flow rates, executives decided to enhance their sales and operations planning (S&OP) process.

“We are a medical technology company that manufactures disposable and consumable endoscopic, orthopedic, endosurgical, and electrosurgical devices. When patient treatment is at stake, our products must be available and delivered on time,” says David Johnson, Conmed vice president of global operations and supply chain.

The solution

Leaders considered a number of software options, ranging in cost from a few thousand to half a million dollars. Ultimately, company decision makers chose Smoothie by Demand Works to simulate and develop plans for sales,

production, and distribution. The solution was affordable and provided key differentiators that perfectly suited Conmed’s unique challenges.

“We have a large product line, customers throughout the world, and 170 production lines in three manufacturing facilities. To optimally balance global demand and supply, we needed a product that was not only deep and efficient, but also intuitive and flexible,” says Patricio Espinosa, director of corporate S&OP and logistics. “Lean is all about speed and flexibility, and we were careful to choose a solution that was consistent with these principles.”

Smoothie relies in part on pivot forecasting, which enabled Conmed professionals to review and make adjustments at any level of detail and along any dimension—including product, operational, channel, and financial information. The software supported the company’s lean initiative by

providing a demand-pull framework to set the tempo for production across the enterprise.

“[The solution] lets us scale and implement collaborative input. Now, we’re sending weekly requirements forecasts to key suppliers, and our sales and marketing team is able to easily review and adjust forecasts,” Espinosa says. “Our supply chain team is very much in control, and we don’t need to call [the information technology department] every time we need to make a change to our methods or add a new plant or warehouse.”

The results

Conmed was able to identify significant opportunities for inventory rebalancing and capacity adjustment with the software. After only two months, the implementation was fully operational and had achieved a return on investment of more than 100 percent.

The company’s lean initiative enables agile manufacturing, and, in implementing the Demand Works solution, company leaders now leverage those strengths with increased visibility and market responsiveness. Johnson says, “Smoothie had more than paid for itself two weeks after going live and only two months after we decided to buy it.”



A Conmed employee assembles components for an electrosurgical device.