

# NETSTOCK

## Kapitex survives COVID-19 and Brexit challenges with Netstock



**Company** Kapitex  
**Industry** Medical

**Location** UK  
**ERP** Sage 200



**Kapitex** is a market leader in developing and manufacturing medical devices, specifically in airway management. They deliver a large percentage of their products to the National Health Service (NHS) and the broader community, with a small but growing percentage exported to countries such as the USA, Middle East, and Europe. They manufacture 80% of their products in the UK and the balance of their product portfolio from local and international suppliers.

### \ Challenge.

Imbalance in their inventory investment.

### \ Solution.

Sage 200 integrated to Netstock.

### \ Result.

Reduction in their excess of **£150,000**.

**15%** improvement in their fill rate

Before **Netstock**, **Kapitex** was exporting data from their Sage 200 ERP into Excel. They would calculate their order estimates using basic averages and recent sales history data. With so many variances, anomalies, and in some cases, seasonality aspects, this method was unscientific and far from perfect.

The amount of stock holding at **Kapitex** was acceptable, but it soon became evident once they started using **Netstock** that there was a significant imbalance of inventory. **Kapitex** was piling up excess on their slow-moving items and running out of their fast-moving items, affecting their sales and customer service levels.

The first thing they did using **Netstock**, was to classify their items to quickly determine where the imbalance of stock holding was and actioned accordingly.

“We managed to complete the implementation of **Netstock** in March 2020 – just in time to help us with the challenges facing us. We had already put certain mitigations in place, so when the increase in demand hit us as COVID-19 began and our products, particularly in the tracheostomy range, soared, we were better positioned to manage our supply to meet the increased demand. Being able to see the potential stockouts was key, and we could react to that quickly.

We would see if we could pull orders forward or do what we could with our suppliers and get our product in much quicker than we would have been able to before using **Netstock**,” says Luke Timney, Supply Chain Manager.

Not knowing at the start of COVID-19 how long the pandemic would go on, it was clear that some hospitals and trusts (public sector companies serving either a geographical area or specialized function) would look to stock up in critical areas. They did not want to get caught in a crisis with a shortage of life-saving medical devices. **“To put the demand into perspective, some key lines saw an increase of over 400%”** explains Luke.

We asked Luke...

## What Netstock features impacted the business and the employees the most?



Luke Timney  
Supply Chain Manager

1

“Firstly, we get a clear picture of the state of our inventory. I open up the app in the morning, and it’s all there – my headline data on a neat dashboard that tells me what needs to be actioned first.”

2

“Secondly, we have **product specialists** that work in the field, and being a cloud-based system that is **accessible 24/7**, has been a game-changer for them. They can handle queries and resolve any issues while they are with their customer, albeit until recently, this has been in the form of Teams and Zoom meetings. Our **customers are extremely impressed** at how much more proactive we are and have seen the increase in our day-to-day efficiencies.”

3

“The third function has been **a huge time-saver** for us. When we do our end-of-year planning and need to find out what our potential stock spend will be over the next 12 months, I can quickly pull out the stock projections data. Before Netstock, it could take weeks, if not months, to pull the right data to determine our spend.”

“Having the right tool for the job, we have balanced our inventory, reduced our excess by **£150,000**, and improved our fill rate by **15%**.”

Luke Timney, Supply Chain Manager



## Brexit's impact on Kapitek

Besides the disruption of COVID-19, companies in the UK had to deal with a further disruption, namely Brexit. Kapitek had to make sure all their products had the correct paperwork and compliance certificates.

Several changes had to be made to their packaging designs to meet new regulations. They had to make changes to their IFU's (information for use) brochures to ensure that they translated them into different languages and that those IFU's met the other countries' compliance regulations. This was an extremely time-intensive task for the employees in the Quality and Regulatory department.

An unexpected benefit of using **Netstock**, not directly aligned with inventory management, was that they could access stock data and select the products they should start updating first. They looked at the order of importance and bill of material run-out timelines, so they didn't end up with waste and obsolete items in their warehouse, resulting in high write-off costs.

**Kapitek** invested in the Netstock stock projections module at the time of implementation and found the functionality in this module critical, especially in a disruptive environment.

They can adjust their projections based on what is happening in-market and regularly use insights from the team out in the field to do so.

*"It's really easy, rather than going through individual items, we can look at a group of products, and we can decrease or increase the whole forecast depending on influencing factors, or we can drill down into individual products and adjust at that level. Overall, the results we have seen in the last 12 months have been staggering. Having the right tool for the job, we have balanced our inventory, reduced our excess by £150,000 pounds, and improved our fill rate by 15%."*

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