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Standard Imaging – Local Sourcing

Challenge

Standard Imaging of Middleton provides instruments and software to provide Quality Assurance for the Radiation Therapy and Medical Imaging health care sector.

The company uses many suppliers for machined parts, electronics and other materials and has committed to source as locally as possible.

Strategy

Management initially focused on two geographical areas from which to source: Dane County and the State of Wisconsin. Although there were no strict objectives in place, the management decided to aim for about 25% of suppliers coming from Dane County and 50% from Wisconsin.

The company has made efforts to build working relationships with local suppliers, from machine shops, circuit board manufacturers, plastic fabricators, consultants and others. The company also works closely with UW–Madison’s Accredited Dosimetry Calibration Laboratory (one of only three in the country).

Results

Standard Imaging has largely surpassed the goals initially put in place: 29% of suppliers are based in Dane County and 58% in Wisconsin (in fiscal year 2010). They keep track of these numbers in absolute terms and in terms of a 12-month rolling trend so they can immediately see whether they are making progress or not. The company has also decreased the total number of strategic suppliers (from 72 in 2010 to 69 in the beginning of 2011), streamlining and facilitating interaction with suppliers.

The practical benefits of local suppliers for the company are many, from being able to request small runs of product (where large national suppliers might only do large runs), to being able to visit suppliers in person, to simply reducing transportation miles. Additionally, having local suppliers has facilitated getting support and has made it possible to reject/return products and get replacements in very short order. This has proven to be essential in the field of medical devices, a field which has very demanding and precise requirements. Finally, suppliers have been involved in the design phase of the process, lending ideas and enabling innovation in a way that may not be possible with non-local suppliers.

Local sourcing has provided practical benefits to the company, and local suppliers have benefited from the increased business. Many suppliers started small and were able to grow in parallel with Standard Imaging. The company has helped their suppliers grow by recommending them to other potential clients and helping them improve their processes.

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