

FCamara cases





FCamara Cases is a series of success stories that exemplify the challenges overcome by various organizations across different sectors. These stories highlight how the Brazilian multinational FCamara, through its ecosystem of technology and innovation, transforms the adoption of digital journeys into business value.

In this material, we provide an immersion into the case illustrating how **Grupo Elfa**, one of the leaders in the distribution of medications, services, and logistical solutions for the healthcare ecosystem in Brazil, improved the operational efficiency of **Inventory Management**.



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FCamara cases

How did Grupo Elfa improve the operational efficiency of consigned product inventory management?





The challenge

Grupo Elfa, one of the leaders in the distribution of medications, services, and logistical solutions for the healthcare ecosystem in Brazil, took a significant step towards enhancing the operational efficiency of its inventory management. Among the outlined objectives were:

- increase visibility of inventory turnover.
- minimize losses of inputs due to expiration.
- reduce lead time for receiving.
- decrease customer churn (turnover) rate.

The solution

The solution co-created by FCamara for Grupo Elfa was based on automating consigned inventory management via RFID, a solution that is not only transforming the way Grupo Elfa manages its Orthoses, Prostheses, and Special Materials (OPME) products but also provides intelligent traceability, allowing agile and precise management of products and shipments.

The **results**

According to the forecast projected for 4 years after implementation, the following is estimated:



95% reduction in product losses due to expiration.



23% operational efficiency gain.



Internal Rate of Return (IRR) exceeding 500%



Anticipation of receipt by 90 days for 50% of the billed amount



95% reduction in movements resulting from inventory checks.





About Grupo Elfa

Segmen: Health

Website: grupoelfa.com.br

Country/Region: Brasil

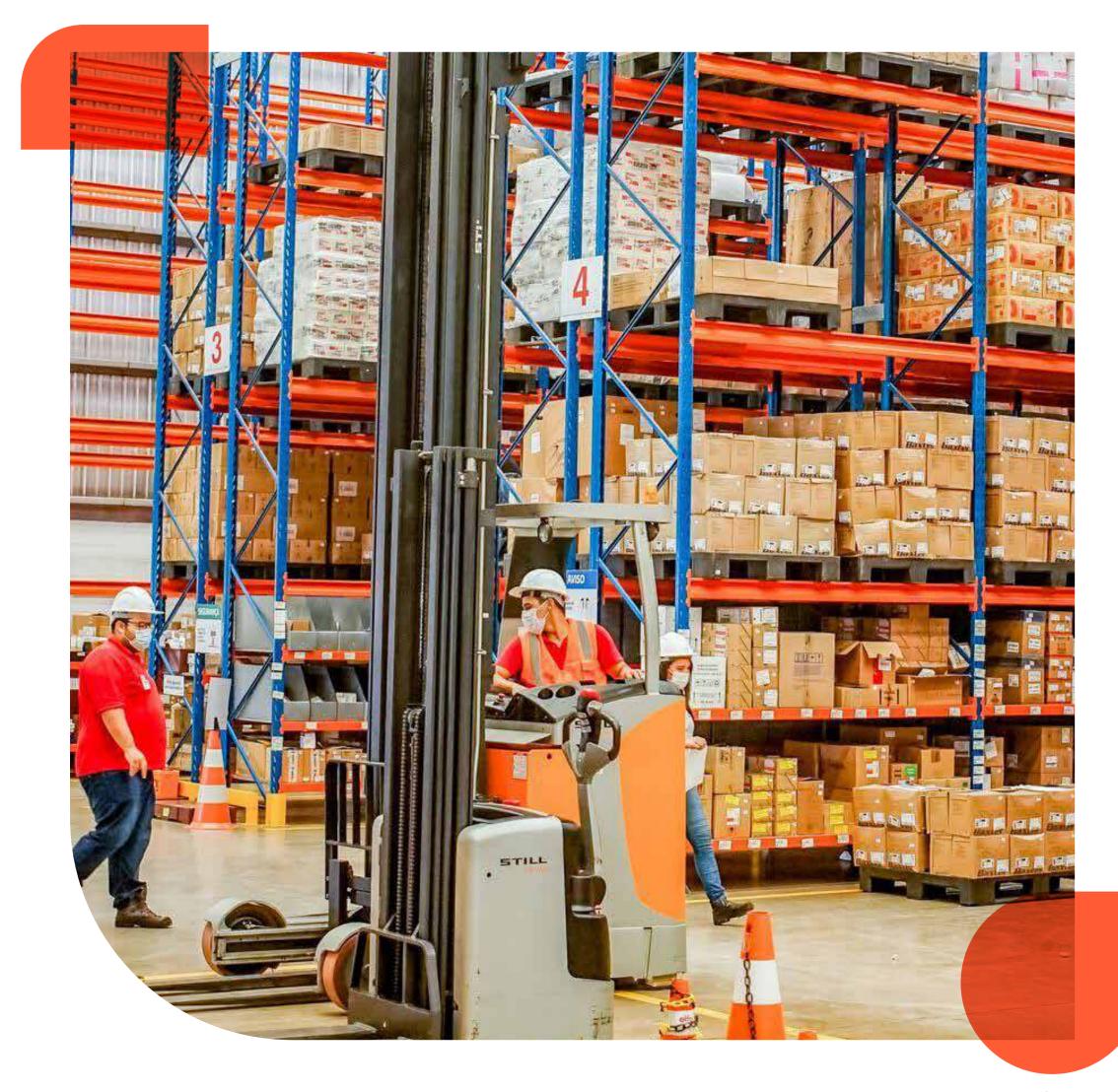
With over three decades of experience, **Grupo Elfa** is a network that connects services for all healthcare stakeholders – industry, hospitals, clinics, professionals, and patients offering a wide variety with the efficiency and personalization of those who understand their business. Formed by the union of 21 companies, Grupo Elfa has over 30 years of history and more than 2,500 employees, serving 7,000 hospitals, 250,000 clinics, and 700 health plans nationwide, being a reference in the value chain of the Brazilian healthcare market. **Grupo Elfa** is controlled by funds from Pátria Investimentos.











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The challenge of efficiency in the healthcare sector

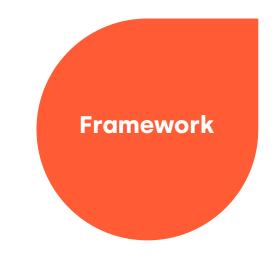
The pursuit of operational efficiency in the healthcare sector is already an undeniable priority. Reducing costs, optimizing revenue cycles, and improving service quality are shared imperatives not only by care providers such as hospitals, clinics, and laboratories but also by suppliers and service providers in the segment. This challenge manifests concretely in different stages in the healthcare service delivery chain, with **inventory** management being a crucial stage.

For distribution and service providers such as **Grupo Elfa**, ensuring the continuous availability of medications, medical-hospital materials, among other products, represents a crucial challenge.

Simultaneously, it is also necessary to boost recurring sales, retain customers, and maintain an effective receivables cycle. These issues impact both operational and logistical routines, directly affecting the healthcare centers served and the quality of patient care at the frontline.

In this scenario, the strategic application of an effective framework becomes essential to enable such improvements.





Transforming strategy into practice with Digital Value Creation

To address the challenges faced by **Grupo Elfa** in inventory management, **FCamara** applied its proprietary framework, **Digital Value Creation**, which unfolds into fundamental stages:

Pré-gamming (Discovery)

This phase is marked by an initial understanding of the challenges, mapping of opportunities, desired results, critical factors, and levels of uncertainty involved.

Perspective Lenses (Immersion in the problem)

Once the problem is identified, a deepening of the scope is carried out from multiple perspectives, including technical and business competencies, paving the way for innovative solutions.

Lean business case (lean business plan)

Solution proposal and economic plan, enabling agile and lean delivery

Smart Route (Solution conception) Building & Measure Results
(Execution and results
measurement)

This stage encompasses a study of viable solutions, evaluation of alternatives with the best ROI, and benchmarking. This is the moment when professionals assess whether it will be necessary to start from scratch or not, potentially accelerating delivery.

In this phase, the framework is put into practice using agile methods. Here, results are measured to validate the viability of the Business Case, understanding if it aligns with expectations, or if adjustments are necessary.



Challenges of manual medical stock management

Check out the main obstacles identified during the **discovery** and **immersion** phases of the **Digital Value Creation framework**.





A longer interval between replenishment orders increased lead time, impairing the ability to meet requests and impacting the receiving cycle.

5

Compromised patient care

Stockouts compromised the continuous availability of medical supplies, directly affecting patient care in healthcare centers.



6

ESG goals disfavored

Frequent travel for stock checks led to fossil fuel consumption, contradicting the company's ESG goals.

Demand analysis difficulty

Lack of consumption visibility hindered demand analysis, making it difficult to adopt actions for supplier product replenishment.

3



Stockout risks

Without proactive initiatives for product replenishment, the risk of stockouts increased.

Churn risk

Healthcare centers sought immediate alternatives to replenish products, leading to increased customer churn for the supplier of supplies.



6



The application of Digital Value Creation not only brought a solution to Grupo Elfa's main inventory management challenges but also presented an integrated and efficient approach, transforming ideas into actions with measurable results.



Marcos Moraes, Health Director at FCamara

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Strategic implementation of RFID technology

To ensure that the solution definition was fully aligned with Grupo Elfa's objectives, it was essential to consider its specific conditions and needs. Among them, the company highlighted that stock optimization should not result in additional costs for healthcare centers.

Therefore, several proof of concepts were made in search of the best solution, leading to the conclusion that the **RFID antenna system** would be the most advantageous approach for the solution strategy.

This would enable real-time tracking of all inventory item consumption, eliminating the need for manual counting and promoting effective and dynamic monitoring.

With the introduction of this technology, Grupo Elfa gained complete visibility of products in stock. Every movement, from entry to exit, was automatically captured, providing an **updated and reliable database** on the status of each item.

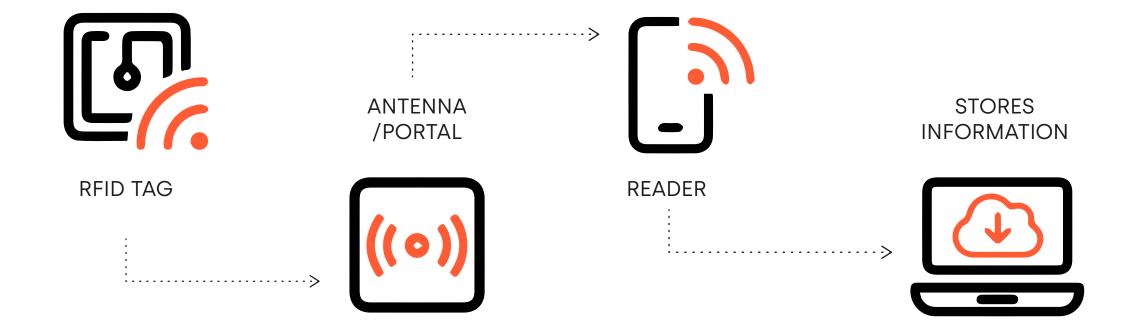
Key benefits of inventory automation

For Grupo Elfa

- Goods traceability, providing insights to improve business strategies.
- Increased stock turnover visibility, facilitating the anticipation of needs.
- Optimization of the receiving cycle due to swift consumption recognition.

For healthcare centers

- Product expiration anticipation.
- Visibility of the need for product replenishment based on real-time consumption.
- Prompt availability of supplies ensuring continuity in patient care.





The RFID technology enabled Grupo Elfa to achieve new levels of excellence in consigned inventory control, through its pilot **implemented in March 2023**, **providing a comprehensive and real-time view of each item, from its origin to the final destination**.

This not only optimized operational processes but also boosted logistical efficiency, resulting in substantial financial gains.



Rafael Tobara, CIO of Grupo Elfa

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What are the estimated project results?

The projections presented in the Business Case developed by **FCamara** indicate significant results for **Grupo Elfa** already in the first year after implementation, with its peak expected in the four-year period, represented by the numbers described alongside.

With the adoption of **RFID** antennas, a more strategic and efficient management of consigned inventory is expected, representing a crucial change. This is because this technology **eliminates the frequent need for manual inventory checks**, prioritizing product movement based on their expiration dates, reducing losses, and optimizing efficiency.

As a direct result, a further significant reduction in the receipt cycle is expected, accelerating responses to demands from patient care centers, and improving inventory maintenance, making it more up-to-date and efficient.

90 days early receipt in 50% of billed;

Reduction of 95% in expired product losses;

23% operational efficiency gain;

TIR over **500%**

100% billing coverage;

Reduction of

80%
in movements
due to inventory
checks;

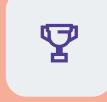


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Why the FCamara ecosystem?











Over 5 years
as the
average client
tenure

NPS 2023: **60**

Rating 8.5 in customer satisfaction

Rating 9.0 for understanding business challenges

A bit more about **FCamara**

FCamara is a technology and innovation ecosystem that transforms the adoption of digital journeys into business value. Its ecosystem encompasses the orchestration of end-to-end journeys and a set of competencies that allow developing initiatives without starting from scratch, through a personalized, flexible approach centered on co-creating the best value generation strategies.

With high specialization in sectors such as retail, healthcare, and financial markets, its solutions drive revenue acceleration, enhance operational efficiency, activate new revenue sources, and create impactful projects, relying on a core of Artificial Intelligence (AI) that promotes efficient and integrated adoption of these technologies.

Company with a high degree of recognition in the market





abcomm

Voted 3 times as the best digital performance company in Brazil (2019, 2020 and 2023)

Leader in ISG quadrant in the Agile Project Development category.



Winner of the "Health Leaders 2023" Awards in the Interoperability category











And you, do you want support in designing actions and strategies to boost your digital results?

Schedule a conversation with an FCamara specialist!

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