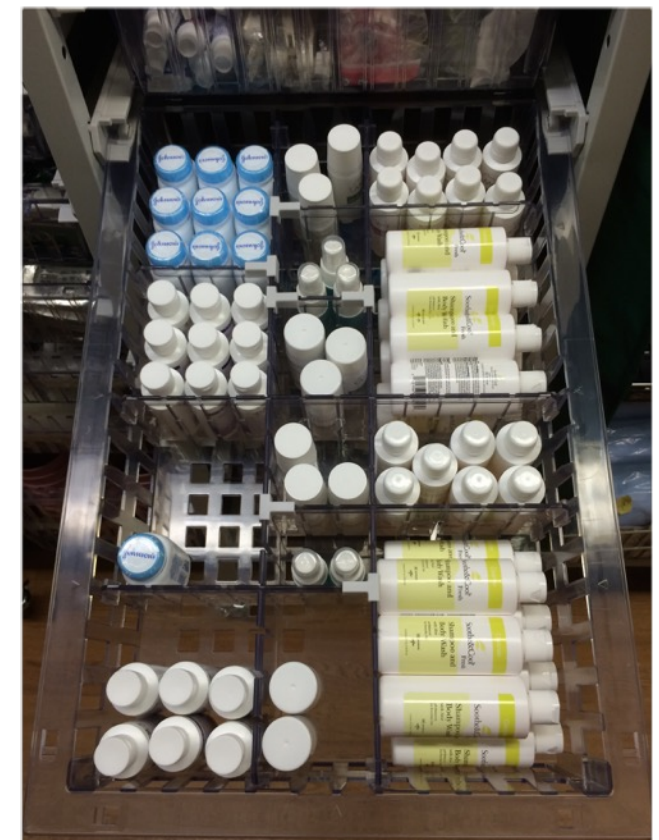




DSI - KANBAN: Lean Inventory Management System



DSI History

Our mission statement is simple and that's to continue to provide an innovative range of *Lean inventory management systems* that are competitively priced backed by outstanding before & after sales service specifically for the healthcare market.

For over **25 years**, DSI has demonstrated our extensive capabilities around the world and are viewed as the storage experts in our space. We strive to constantly improve our products and services in order to keep our #1 position as the leading provider of storage systems in the healthcare market.



Product choice, quality and value.



KANBAN Product Offering

MODU-CELL



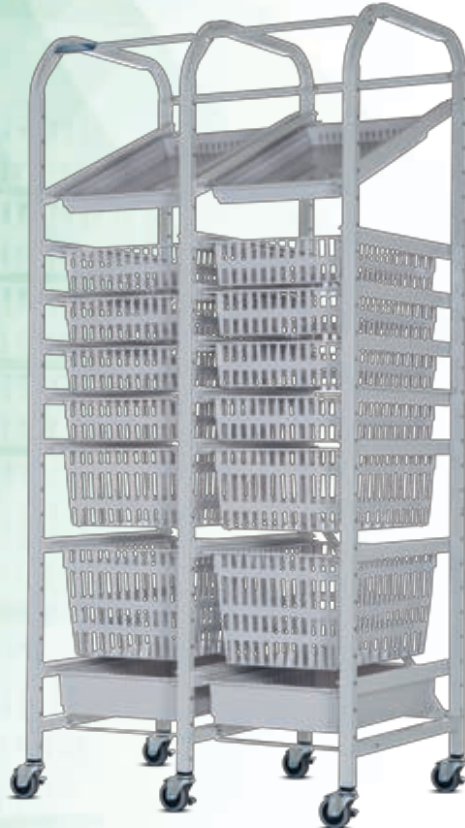
DSIDIRECT.COM 1.800.393.6090

MODU-MAX



DSIDIRECT.COM 1.800.393.6090

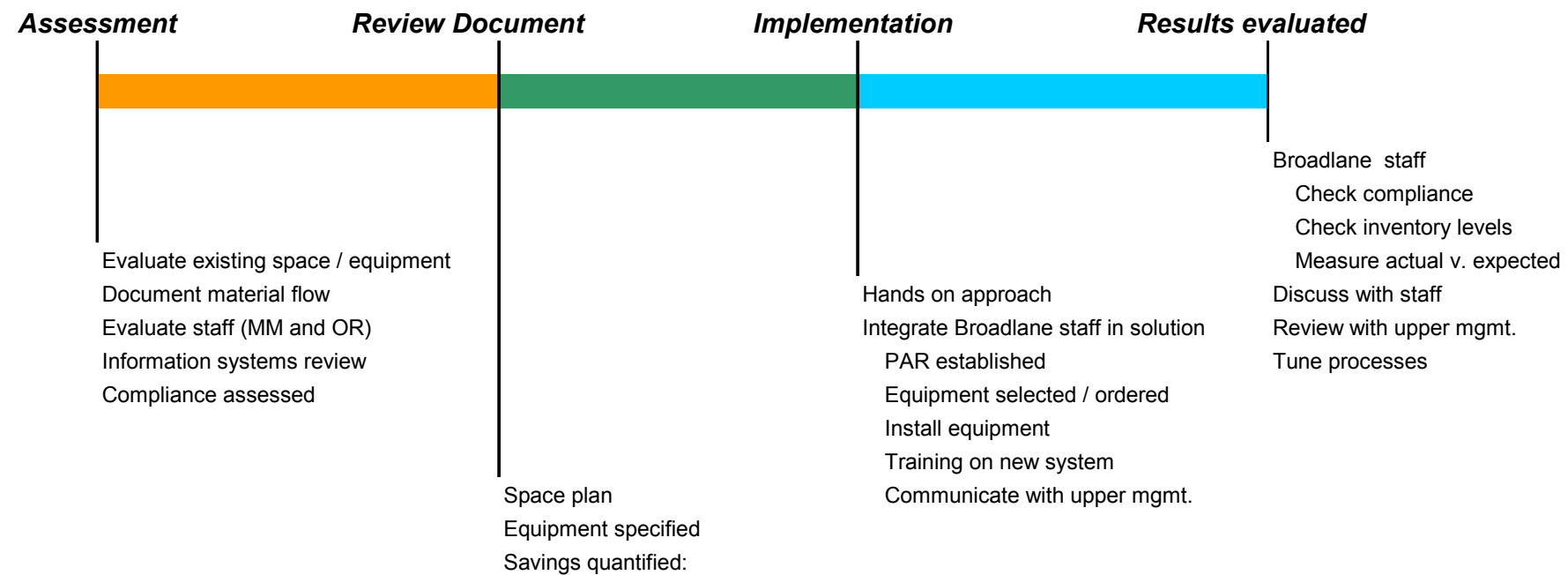
MODU-STOR



DSIDIRECT.COM 1.800.393.6090

KANBAN Existing Customers

- Scripps Memorial Hospital - San Diego, CA
- Camp Pendelton Naval Medical Center - San Diego
- Camp Lejeune - Jacksonville, North Carolina
- Naval Medical Center Portsmouth, Portsmouth, VA
- Balboa Naval Medical Center - San Diego, CA



KANBAN Value Proposition

• BUSINESS

- Inventory reduction = cost reduction
- Minimize nurse mistakes (liability)
- Space savings = flexibility & expansion
- Times savings = cost savings/patient care
- Picking accuracy = cost savings/patient care
- Maximize employee productivity

• PATIENTS

- Receive quicker care
- Receive proper care/products when needed
- Increase in service levels and patient satisfaction

• NURSES

- Increase in:
 - picking accuracy
 - productivity
 - throughput (quicker retrieve time)
- Reduction in:
 - wasted time looking for inventory
 - picking errors
 - walking time

• SUPPLY CHAIN

- Guarantees FIFO (first in - first out)
- Simplifies replenishment/ordering process
- Reduces SKU proliferation
- Excess and obsolete inventory is eliminated
- Increase in productivity/less walking time

Before



After



KANBAN Application Photos

Interior



Interior



Interior



Interior



Before



After



Before



After



KANBAN Application Photos

Interior



Interior



Labeling



Labeling



Before



After



Before



After



KANBAN Restocking Process

1. The inventory will have a primary and secondary bin location (2-Bin System)
2. Supply personnel will scan only empty primary bin
3. The secondary bin/inventory is now moved forward to become primary bin using the first-in first-out method
4. Supply personnel will then order the required par for the secondary bin
5. Restocking frequency is purely dependent on consumption of the inventory



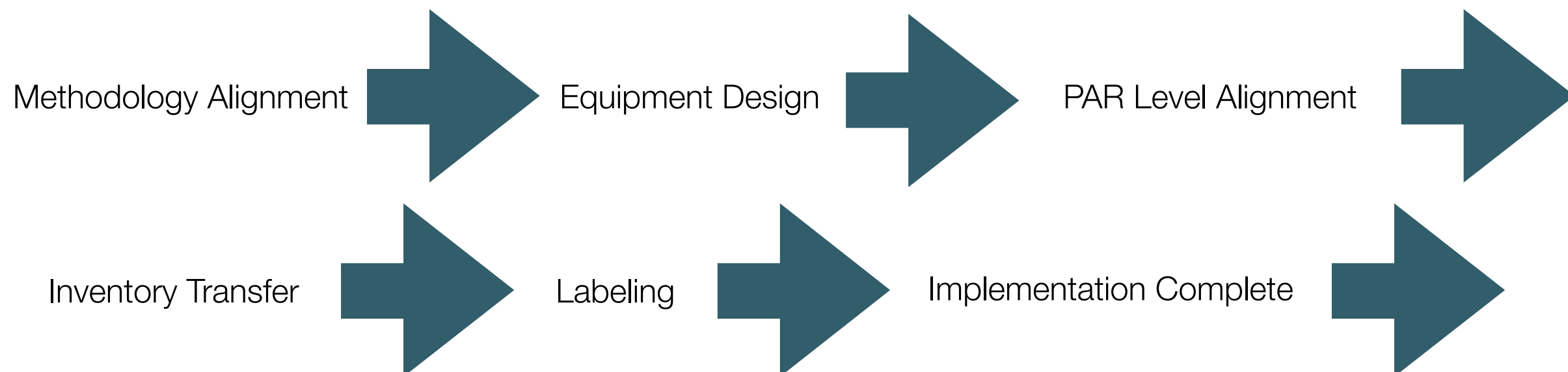
Inventory Reduction & Labor Savings = Cost Savings & Better Patient Care

KANBAN Implementation

1. DSI to work with Supply Chain/Materials Management and Nursing team to agree on KANBAN methodology
2. Materials Management to provide the entire list of supplies reflecting current PAR levels (subject to change).
3. Implementation (DSI member and Nursing staff member must be present):
 - A. DSI member pulls all inventory from the shelves and **nursing staff member** and agrees on new PAR levels
 - B. DSI member notates new PAR level on validation sheet
 - C. DSI member transfers the inventory from old shelving into DSI's Lean KANBAN Inventory Management System.
 - D. DSI to work with Materials Management on suggested labeling of the baskets by category

ANESTHESIA (XFAAD, XFAADL, XFAADT)
Par Validation: 4/28/2014
Page 1 of 4

| Item # | Category | Description | UOM | ACCEPTED PAR | RACF |
|------------|----------|--|-----|--------------|------|
| 1840 | BLUE | ADAPTER, NUT AND NIPPLE OXYGEN UNIVERSAL | EA | 5 | |
| 184128020 | BLUE | AIRWAY LMA UNIQUE SIZE 2 PLUS PACK | EA | 2 | |
| 184202020 | BLUE | AIRWAY NASOPHARYNGEAL ADJUSTABLE FLANGE | EA | 20 | |
| 184202040 | BLUE | AIRWAY NASOPHARYNGEAL LATEX FREE 24 | EA | 20 | |
| 184202040 | BLUE | AIRWAY NASOPHARYNGEAL SZ 34 5/8" | EA | 20 | |
| 124700-000 | BLUE | AIRWAY ORAL GUARDS SZ 0 (CODE CART) | EA | 10 | |
| 124700-000 | BLUE | AIRWAY ORAL GUARDS SZ 1 (CODE CART) | EA | 10 | |
| 124700-000 | BLUE | AIRWAY ORAL GUARDS SZ 2 (CODE CART) | EA | 10 | |
| 124700-000 | BLUE | AIRWAY ORAL GUARDS SZ 3 (CODE CART) | EA | 10 | |



Inventory Reduction & Labor Savings = Cost Savings & Better Patient Care