

CASE STUDY

**OPTIMIZING SUPPLY
CHAIN SUCCESS****ABOUT
THE CLIENT**

A medical services company that provides patient care and pharmacy products has a mission to improve the quality of life of every patient, every day. They achieve this by creating innovative solutions and continually redefining healthcare industry standards. With a complex distribution network that includes 13 distribution centers (DCs) serving 2,600 customers and over 200,000 patients, the company has its work cut out for it.

When their Warehouse Management System (WMS) provider, SAP, announced that they would be sunsetting the WMS the company was using, they decided to take a look at their overall supply chain processes. They specifically focused on their warehousing and distribution operations.

CHALLENGE

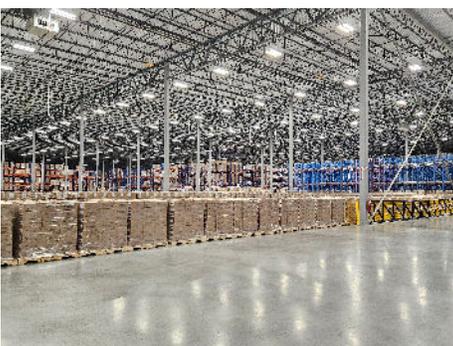
The company engaged Cornerstone Edge to audit its warehousing and distribution processes. They needed to understand the complexity of their operations in order to identify the right fit WMS and Labor Management System (LMS) solutions. In hand with that came a desire for a deeper understanding of their business requirements, to ensure their future solutions could handle both current needs and scale appropriately. Cornerstone Edge led the development of a roadmap for supply chain success.

PROCESS

Cornerstone Edge started with a comprehensive look at the company's data. They visited a handful of their main distribution centers to perform a review of warehouse operations and processes and understand how they were using the SAP solution. Cornerstone Edge also attended a virtual demonstration to learn how the company had implemented SAP in its non-US operations. With this data, Cornerstone Edge was able to develop a robust business requirements list.

The list of business requirements was expansive and covered needs in a variety of focus areas, including:

- General Warehouse Management: Voice transaction, slotting optimization, spare parts management, etc.
- Inbound Receiving: Temperature tracking, inbound receipt creation from purchase orders, receipt scanning, etc.
- Inbound Putaway: Specific zones, storage sizes, and closest to picking locations for directed putaway, etc.



- Outbound Order (Wave) Planning: Shipment consolidation, route acceptance, case allocation at multiple pick locations, etc.
- Picking: Paperless operations, zone picking, quality hold, barcode scanning of 2D barcodes, etc.
- Audit, Inspection, and Packing: Tablet audit, RF audit, packing information, etc.
- Loading and Shipping: Automatic routing updates, allow pallet loading in reverse stop sequence, etc.
- Inventory Control: Real-time cycle counting, spot check, 2-person verification, etc.
- Replenishment: Min/max replenishment, zone-based replenishment, etc.
- Labor Management: Job coding, discrete labor standards, productivity planning and budgeting, etc.
- Dashboard, Visibility, and Reporting: Alerts, reporting tool, dashboard comparison across DCs, etc.



SOLUTION

Cornerstone Edge determined that the company needed to invest in a best-of-breed WMS with fundamental labor capabilities for all DC operations. They also identified three potential solutions that could improve warehouse operational functionality:

1. Work with all vendors to implement and utilize Advanced Shipment Notifications (ASNs) to further automate the receiving process. This would reduce the need for manual lookup of purchase order information before beginning the receiving process.
2. Require all incoming purchased items to have a standard bar code label to streamline the receiving process and improve receiving accuracy.
3. Consider utilizing the license plate method of managing and tracking inventory to more effectively handle mixed pallets.



RESULTS

Cornerstone Edge provided the company with a detailed roadmap for operational improvements, a guide to ensure the next steps they took were always in service of improving productivity. Details on business requirements as well as a thorough look into current systems provided the information needed to begin the WMS selection process, an undertaking that requires expert planning, unparalleled diligence, and a keen eye for detail. The company is now venturing into the WMS selection process, which Cornerstone Edge will lead.

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