

CASE STUDY

OPTIMIZING SUPPLY CHAIN SUCCESS

ABOUT THE CLIENT

A leading medical services company specializing in patient care and pharmacy products is committed to delivering superior care for individuals living with chronic diseases. They achieve this through innovative solutions and by continually raising the bar for healthcare industry standards. Managing a complex distribution network with a dozen distribution centers (DCs) serving 2,600 customers and more than 200,000 patients, the company faces daily challenges to ensure seamless, efficient, and reliable service at every touchpoint.

When SAP announced the sunset of its Warehouse Management System (WMS), the company took the opportunity to evaluate its overall supply chain, with a particular focus on warehousing and distribution.

CHALLENGE

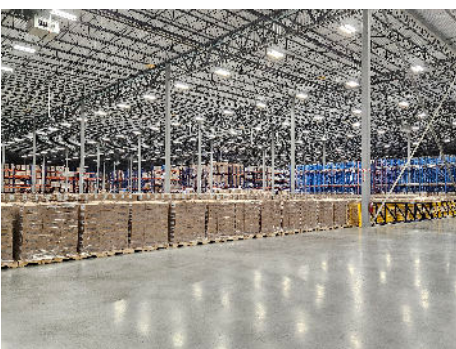
The medical services company engaged Cornerstone Edge to audit its warehousing and distribution processes. They needed to understand the complexity of their operations in order to identify the right fit WMS and Labor Management System (LMS) solutions. Along with this came the need for a deeper understanding of their business requirements to ensure future solutions could not only meet current demands but also scale effectively. To support this, Cornerstone Edge developed a strategic roadmap for supply chain success.

SOLUTION

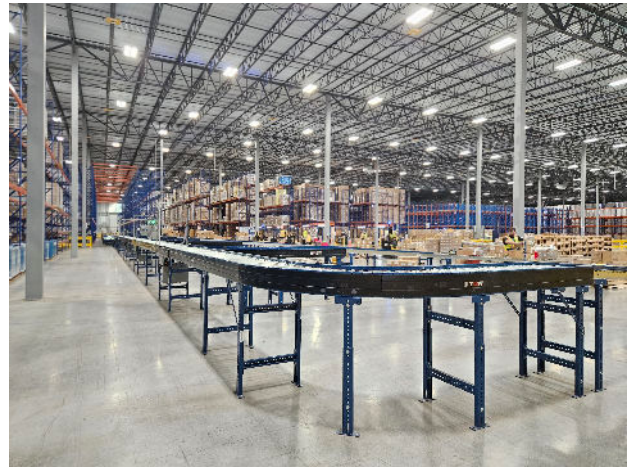
Cornerstone Edge started with a comprehensive look at the company's data. They visited a handful of their main distribution centers to perform a review of warehouse operations and processes and understand how they were using the SAP solution. Cornerstone Edge also attended a virtual demonstration to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

The business requirements were extensive, spanning multiple key 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 core labor management capabilities across all DC operations. Additionally, they identified three key opportunities to enhance warehouse efficiency:

1. **Advanced Shipment Notifications (ASNs):** Collaborate with all vendors to implement ASNs, automating the receiving process and eliminating the need for manual purchase order lookups before receiving begins.
2. **Standardized Barcode Labels:** Require all incoming purchased items to have a standardized barcode label to streamline receiving and improve accuracy.
3. **License Plate Inventory Tracking:** Explore the use of license plate tracking to better manage and track mixed pallets, improving inventory visibility and handling efficiency.



RESULTS

Cornerstone Edge delivered a comprehensive roadmap outlining specific operational improvements designed to enhance productivity. The roadmap included detailed business requirements and a thorough assessment of existing systems, providing the necessary foundation for the WMS selection process. This process demands strategic planning, rigorous evaluation, and precise attention to detail to ensure the chosen solution aligns with the company's operational needs and long-term goals.

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www.cornerstone-edge.com

888.335.EDGE (3343)