

Case Study Worksheet

Client: Specialty Healthcare Provider

Topic: Specialty Healthcare Distribution

Situation

Our client was:

Our Client, a National Specialty Healthcare Provider, required support in improving its distribution service model to its patients while increasing internal capacity and efficiency to manufacture and dispense expensive biologicals. Our client's patients required a more flexible and customer focused approach for receiving medications to their homes vs. very rigid windows. Our client was faced with very inefficient production schedules because common carriers do not have the flexibility to manage delivery windows, wait time, or same day returns if required

Challenges

The challenge our client put forward to our organization required innovation and an ability to put all historical business assumptions aside. Our customer needed to be more flexible delivery windows for patients in their homes so they were not "held captive" in their residence for extended periods of time while waiting for their medication. The current common carriers could not provide a delivery model to deliver 7 days per week by "day parts", allowed for wait time at the residence, and manage same day returns to eliminate product spoilage. The result, our client could only produce medications for delivery three days per week vs. 5 or 7 days per week.

Actions

To address our client's requirements, Apple Specialty Healthcare developed a delivery solution to not only address the rigid delivery windows but expand the current 3 day window to seven days per week with flexible "day part" solutions for their patients. Apple opened the weekly delivery window to 7 days per week with the ability for a patient to request a day and delivery window for the day requested. The drivers would arrive in the allotted delivery window, allow time for a patient to get to their door, hand the medication and explain any special instructions to the patient. If the patient did not answer the door, the driver would immediately contact the customer's service center and await further instructions.

Results

As a result of the collaborative business efforts between Apple Specialty Healthcare our client, they were able to dramatically increase the level of service to their patients, increase production capabilities, and decrease the cost of non deliveries and returns. The additional outcome for the client was the ability to better market their capabilities to all Pharmaceutical Manufacturers to further solicit programs with the numerous expensive biologicals entering the Canadian Healthcare System over the next three years.

- Increased production Capacity and Efficiency a minimum of 29% to a maximum of 58%
- Reduction in "on demand" distribution costs of 20%
- Increased distribution capacity by "day part" minimum 28%
- First Specialty Healthcare Network to offer Pharmaceutical Manufacturers, Doctors, and Patients 7 days per week home delivery of Specialty Pharmaceuticals. (Very expensive, highly sophisticated biologicals).