

Situation

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. They wanted to implement a more customer-friendly approach to delivering medications to patients' homes, but were faced with inefficient production schedules because many common carriers do not have the flexibility to manage delivery windows, wait time, or same day returns if required.

Challenges

Our client needed to offer more flexible delivery windows for patients in their homes so they were not "held captive" for extended periods of time while waiting for their medication. Their current common carriers could not provide a model to deliver seven days per week by "day parts," allow for wait time at the residence, and manage same day returns to eliminate product spoilage. As a result, our client could only produce medications for delivery three days per week instead of the desired five or seven days per week.

Actions

Apple Specialty Healthcare developed a delivery solution to not only address the rigid delivery windows but expand the current three-day window to seven days per week with flexible "day part" solutions, allowing patients to request the day and delivery window of their choice. Our drivers would arrive in the allotted delivery window, allow time for the customer to answer the door, hand deliver the medication and explain any special instructions for 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

Our client was able to dramatically improve the level of service provided to their patients, increase production capabilities, and decrease the cost of non-deliveries and returns. As a result, our client was able to better market its capabilities to major pharmaceutical manufacturers, soliciting additional programs for the numerous expensive biologicals expected to enter the Canadian healthcare system over the next three years.

Key Performance Actions and Statistics

- Increased production capacity and efficiency by 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%.
- Became the first specialty healthcare network to offer pharmaceutical manufacturers, doctors, and patients seven-day-a-week week home delivery of specialty biologicals.