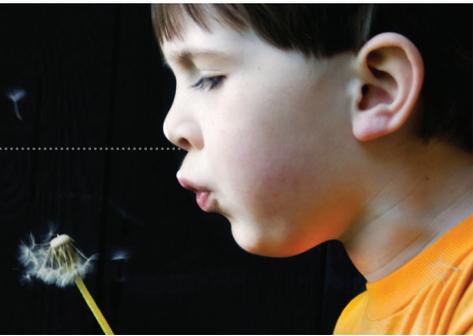




Case Study

Health Support Limited



“Our operations team worked with Interlogic to achieve a seamless upgrade and improve efficiencies by 22%.”

For Auckland company Health Support Ltd, their warehouse management system could literally be described as a life-saving operation.

As a major supplier to public and private hospitals in New Zealand, Health Support (HSL) supplies their customers with the thousands of consumables required to run a modern hospital.

Each day, from their distribution centre in Auckland, they despatch a hugely diverse 22,000 product lines – everything from stationery and teabags, to high-end pharmaceuticals and surgical equipment.

Since 1997, Interlogic has provided HSL with MultiPick® software and a range of custom-designed equipment to meet the unique requirements of the healthcare industry.

Health Support Ltd, which is owned by the publicly-listed EBOS Group Ltd, has evolved its warehouse management systems to keep pace with its significant and steady growth.

Critical care warehouse management

Established in 1993, HSL is unique in the New Zealand health sector. Operating from a 8,000sq metre distribution centre in Auckland, HSL provides its customers with a single source supply for all consumables.

About 60% of Health Support’s business is derived from the major public hospitals in Auckland. The other 40% comes from other public hospitals around New Zealand, as well as a range of healthcare providers in the private sector.

By purchasing their entire consumable requirements from a single source, HSL customers gain significant savings and efficiencies. They also benefit from reduced inventory holding by utilising just-in-time ordering.

A distinct feature of its HSL’s service model is that they fulfil orders direct to the individual ward within a hospital.

Richard Jones, HSL Group Logistics Manager, explains that ward managers are responsible for placing individual orders as required. “The Auckland District Health Board, for instance, gives us a delivery code for the label – telling us the site, building and level it’s going to.”

The average order is made up of about eight products lines; although some are as small as just one or two items. Certain orders – such as urgently-needed surgical equipment – require an extremely quick response time from the warehouse shelf to the operating table.

Health Support Ltd gives new meaning to ‘Mission Critical’ warehouse management - Supplying hospitals to save lives.

Evolving technology

In order to drive operational efficiencies and continually improve customer service, HSL upgraded to MultiPick® Version 3.2 in April 2009.

According to Greg Managh, HSL General Manager, the increased functionality of MultiPick® is a natural fit with the market drivers in the healthcare sector.

“Our customers are looking for immediacy, accuracy, and convenience – particularly in product identification and electronic document exchange,” he says.

“Interlogic had taken quite a leap with the new version of MultiPick®, and the new functionality in the upgrade path was compelling.”

Having a reliable and trusted source in supply chain technology is also critical from a business perspective.

“We have \$17-\$18m of inventory in our warehouse at any one time. It’s our largest asset, so quality management of that is clearly very important.”

Another major benefit of working with MultiPick® is that the software can be reconfigured and finetuned with no disruption to normal operations.

“Any upgrading we do is rebuilding the jumbo in full flight - it has to be functional at all times. Our operations team work in conjunction with Interlogic to ensure implementation is as seamless as possible.”

Increased picking accuracy

Over the years MultiPick® has progressively streamlined the workflow and helped the business process its increased volumes. The

latest upgrade has facilitated the transition to a ‘paperless’ warehouse management system.

Supervisors set and monitor the daily workload priorities, while warehouse staff receive notification of their next picking task directly from a hand-held RF device.

According to Richard Jones, Group Logistics Manager, there have been marked improvements in both speed and accuracy of picking.

“We now run at about 99.85% picking accuracy. And our hourly pick rate has increased from 180-200 to 250-300; so our picking speed has increased by at least 22% under the new version.”

As the work rate has become more efficient, the weekday shift now ends at 6.30pm instead of 11pm. As staffing levels have become more predictable, the need for temporary agency staff has been eliminated.

In another major efficiency, the warehouse no longer needs to shut down for a 2-3 day annual stocktake, with associated costs of \$25-\$30,000.

“Now we stock-take twice a year during normal working days, and do our cycle counts on a daily basis,” says Richard Jones.

“Stock accuracy also goes up, because if there’s an issue we get an alert immediately, and can deal with it straight away.”

Innovative equipment

Another new addition supplied by Interlogic is a computer monitor, centrally located in the warehouse, which provides staff with at-a-glance updates of activity.

“The screen provides a snapshot of how we’re doing at any one time,” says Richard Jones. “Within seconds I can tell whether

we’re under control or falling behind schedule.”

Accurate identification of inwards goods has also been improved with MultiPick®. As Richard Jones explains, the healthcare industry faces a unique challenge when it comes to barcoding.

“One of our biggest headaches is identifying products at the time of receiving,” he says.

“Unlike the food industry where products are barcoded to one standard, in the health sector we have to deal with several different

standards – and some products do not even have barcodes. MultiPick®’s receiving module allows us to quickly identify products through various methods – saving time, and increasing accuracy.”

Interlogic has also provided HSL with innovative material handling equipment. They custom-designed and installed the country’s first ever “Pick to Light” carousel system.

The future

Richard Jones says while the engineering and development behind MultiPick® is highly sophisticated, it’s very user-friendly on the floor.

“It’s a very robust system that also easy to use. Staff have adapted to our new processes very easily.”

General Manager Greg Managh says MultiPick® software is now a proven tool in public and private hospital supply in New Zealand, having supported HSL’s impressive year-on-year growth of 4-5%.

The team at Interlogic design, build and implement warehouse management solutions. Systems are designed through a process of analysis and conceptual design refinement blending the right mix of software, Material Handling Equipment, and practical warehouse knowledge to construct a solution that is right for your operation.

A 100% owned New Zealand company, Interlogic has 18 years experience in designing and installing intelligent logistics systems in New Zealand and Australia.

Interlogic Limited
5 Ceres Court
Albany, Auckland
New Zealand
PO Box 10-1330
Auckland 0745

Phone +64 9 414 1104
Fax +64 9 414 2514
Email team@interlogic.co.nz
Web www.interlogic.co.nz


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