

## TECSYS Customer Success Story



# Dismed Achieves Significant Competitive Advantage with TECSYS

*In healthcare, operating in a unique and competitive market where delivery of the right product at the right time is vital! Only companies willing to adapt to new approaches and provide new services to stay close to their customers will stay ahead of the pack!*

## At a Glance

### Industry

Healthcare

### The Challenge

With double-digit growth in recent years, Dismed felt that its current warehouse logistics process was outdated. It fell short in accommodating the rapid changes to its business, and in achieving the cost efficiency and “Excellence in customer service”; Dismed’s on-going goal for meeting customer expectations.

### TECSYS’ Solution

Dismed’s complete distribution technology infrastructure is comprised of an ERP system, warehouse management and financial applications, ecommerce, service and business intelligence applications. At the center of it all is TECSYS’ EliteSeries warehouse management for healthcare.

### The Benefits

After the implementation of TECSYS’ EliteSeries WMS, Dismed has been able to realize considerable savings in cost; inventory levels have dropped while inventory accuracy has increased to more than 99%. Dismed also eliminated costly inventory errors and labor-intensive processes and increased customer satisfaction.

At a pharmacy, a Doctor’s office, a clinic or hospital, or even at home, receiving healthcare products represents the final link in the supply chain, where reality hits home; but is it the right product at the right time? If so, it could be life saving!

Operating in an industry where regulation compliance is extremely stringent, customers are very demanding, standards are high and delivery of products and supplies in the healthcare industry is like the old saying “absolutely positively” must be delivered on time and more importantly securely!

As a result of information technology, the healthcare distribution industry is undergoing dynamic changes that are effectively being applied to its supply chain. Time-consuming and labor-intensive processes are now being replaced by best practice supply chain execution systems that optimize both standard processes and the generation of key intelligence that have a realistic intention of significantly improving the efficiency and effectiveness of product delivery and customer service levels. Most importantly their mission is to support the healthcare supply chain infrastructure for the well being of humans.

Healthcare products are a great challenge for logistics systems. The healthcare supply chain has industry-specific needs in its supply and demand processes from sales to purchasing, to warehousing and transportation as well as collaboration. Healthcare logistics software delivers industry-specific processes including: automation, track and trace capabilities within its supply chain and product identification through bar-coding to enable faster and secure delivery of products.

With healthcare logistics software, organizations can reduce operational expenses. They can also streamline operations with suppliers and consumers through the effective use of e-commerce, collaboration and visibility tools. Furthermore they can enhance labor effectiveness and efficiency to reduce internal labor costs associated with logistics operations.

## About Dismed

In Anjou, Quebec, a suburb of Montreal, is Dismed, a Montreal-based healthcare distribution company and one of the top distributors in the Province of Quebec. Founded in 1979, what was once a start-up company is now a leading contender in Eastern Canada's healthcare distribution market. The Company evolved significantly in the 1990's and has become a prominent supplier with a warehouse facility in excess of 80,000 square feet, a first class healthcare facility licensed by Health Canada and the manufacturers of products the company sells. Its customers include Hospitals, clinics and healthcare homes among others, and count some 2500 organizations across the Province.

In June, 2008 Dismed was acquired and became a subsidiary of Futuremed Healthcare. Futuremed is Canada's leading value-added distributor of consumable nursing home supplies and specialized furniture and equipment to the growing long-term care facilities sector. The synergy between the two organizations is obvious, together they have extended their reach; Futuremed and Dismed have become a national distributor with warehouses in Montreal, Toronto, Calgary and Vancouver, and are now able to deliver products and services across the country using one of their closest facilities to the customer.

Dismed keeps healthcare providers stocked with over 4,000 products ranging from lab and surgical supplies, to bandages and daily hygiene sourced from 200 suppliers across the globe. Hospitals, long term- care facilities, pharmacies, drug stores and doctors rely on Dismed's daily deliveries. It is not uncommon for a single client to make up to several orders on any given day and Dismed must process and ship orders daily to fulfill the need of its customers.

Sales at Dismed are conducted in several ways. The traditional and most prominent is based on the long-term relationship with its clients. In addition, the Company has a

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***Serge Varin  
National Vice President  
Supply Chain for Dismed Inc. & Futuremed L.P.***

transactional website with the highest performance in the industry, featuring 12,000 products and the facility of online ordering 24x7. Products include Sélection, Dismed's own house brand. The Company also carries major brand names such as 3M, Ansel, Johnson & Johnson, SCA & MOLNLYCKE, as well as exclusive brands to Dismed that include B.H.M. Medical, Terumo Medical, Coloplast, Casmed, STERIS, and several others.



Sélection - Dismed's own house brand

## The Challenge

Dismed must be able to ship an order within 24 to 48 hrs at the very latest, anywhere in the Province. An average day sees the processing and shipping of hundreds of healthcare products. Naturally, this intense supply chain operation requires an exceptional Warehouse Management System (WMS).

"Operating in a unique and competitive market where delivery of the right product at the right time is vital, only companies willing to adapt to new approaches and provide new services to stay close to their customers, will stay ahead of the pack!" Stated Serge Varin National Vice President, Supply Chain for Dismed Inc. & Futuremed L.P. "It is essential for us to have 99%+ fill rate and error-free deliveries, every time all the time to meet the stringent demands of quality and reliability of service to our customers."

With double-digit growth in recent years, the constant pressure for quality of service and the increasingly cost-consciousness of healthcare organizations, Dismed had to seek a solution that would see its business become much more streamlined with improved warehouse operations. Dismed felt that its current warehouse logistics process was outdated. It fell short in accommodating the rapid changes to its business, and in achieving the cost efficiency and "Excellence in customer service"; Dismed's on-going goal for meeting customer expectations. With this in mind, its experienced Supply Chain Vice President, Serge Varin led

the charge in the Company's strategy development, selection of the WMS software supplier, deployment and communication initiatives to its stakeholders.

Dismed decided to search for a warehouse management system that could help deliver its "Raison D'être" of "becoming the strongest link in their customer's supply chain". To meet its short and long term objectives, Dismed undertook an extensive evaluation process, the primary objectives were to:

- Create value for its customers
- Improve shipment planning and optimize the receiving process
- Implement expiry date and lot tracking
- Optimize order picking and improve the accuracy of inventories
- Improve reverse logistics, implement cycle counting
- Integrate transportation management system
- Maximize use of warehouse space

While the warehouse management software was an important part of the solution equation, selecting the right partner was by far the highest on Dismed's management list of priority. Dismed wanted a partner that could not only meet but exceed its needs, these include the supplier's:

- Chemistry and fit with Dismed
- Knowledge and experience in Healthcare
- Technology capabilities, flexibility and maturity
- Understanding of Dismed's needs and future direction
- Ability to adapt to Dismed's changing needs

## TECSYS' Solution

Dismed evaluated seven warehouse management software companies including some of the largest in the industry. After an extensive evaluation process, the Company opted in favour of TECSYS.

"It was clear to us that TECSYS was the leading contender, for a number of reasons, the primary of which is their experience and expertise in healthcare, but more importantly is their fit with our culture and philosophy." Stated Varin



Healthcare products within the four walls of the warehouse are controlled by TECSYS' EliteSeries

Dismed's complete distribution technology infrastructure is comprised of an ERP system, warehouse management and financial applications, ecommerce, service and business intelligence applications. At the center of it all is TECSYS' EliteSeries Warehouse Management System (WMS) for healthcare.

Although there are important benefits to be realized, deploying a WMS is a challenging undertaking. There are a lot to think about and take into considerations such as:

- The users - their adaptation to the new environment
- The current and future distribution process
- The warehouse: layout, organization, optimization
- Data collection, RF devices, antennas and servers
- Material handling equipment if required
- Movement of goods in and through the warehouse
- The critical switch over from the old to the new system

In essence it is the combination of the logical distribution process, merging with the physical and real-world environment: process, people, equipment, and inventory on the warehouse floor and on the shelves.

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*Sales at Dismed are conducted in several ways. The traditional and most prominent is based on the long-term relationship with its clients. In addition, the Company has a transactional website with the highest performance in the industry, featuring 12,000 products and the facility of online ordering 24x7.*

A WMS implementation is a complex endeavour, no matter how well it is planned or executed, even with the most thorough and diligent project team. However, a project plan with well-defined milestones will serve well and can help anticipate most of the uncertainties and prevent any potential mishaps. The project plan should be supplemented by contingency plans documenting all actions needed to respond to any potential failure points.

Serge Varin's philosophy on WMS deployment includes:

- Establish a project charter clearly defining the responsibilities of all stakeholders.
- Formulate a "real" internal dedicated team for the project.
- Be prepared to have impeccable communication with all stakeholders.
- Document all meetings and all discussions.

Furthermore, Varin says: "Regardless of your level of preparation, deployment will most likely be difficult!" And he recommends to:

- Manage the risks, develop a contingency plan
- Make sure that all employees understand that it's part of the company's strategy and business plan
- Communicate the project across the company, notify customers and sell its benefits
- Have some fun with it, such as:
  - Organize a contest for the project name
  - Do not do 18-hour days all the time
  - Install a detailed table on the wall of your cafeteria
  - Communicate regular updates through the Company's newsletter
- Be creative
- Finally, test, test, test.....and communicate, communicate communicate!

Dismed was live with TECSYS' EliteSeries WMS in less than 6 months, a speedy implementation which was made possible by the positive attitude, professionalism and the good collaboration between Dismed's and TECSYS' professionals. The conversion from the old system to the new one was done swiftly without any disruption to its distribution operations...certainly vital in healthcare!

Today, product and supplies movements within the four walls of the Dismed warehouse are controlled by TECSYS' EliteSeries and are supported by radio-frequency (RF) technology from Symbol. At entry into Dismed's warehouse, shipments are inspected; information such as batch number, expiry date, package size, quantity of items is updated in the EliteSeries WMS. All goods-in pallets then receive a bar coded labels enabling detailed product and batch traceability within the warehouse. The WMS then decides which products are stored where according to Dismed's product allocation criteria.

Order picking in the warehouse takes place in several forms: full pallet picking; full case picking; break case picking; and individual item picking. However, most orders comprise full case and break case picking that takes place on the floor level in the warehouse.

Orders are released to the warehouse for picking in waves according to their priority. Waves can be set up by customer, by warehouse area, by delivery point, or by delivery due date. These waves also provide checks to see if there is sufficient stock to meet the order requirements and where necessary replenishment orders will be executed accordingly. Orders are picked onto trolleys and as the last shipping package of an order is packed, a carton wave manifest is printed and the WMS sends an update back to the main system. Following that, orders are loaded on the appropriate truck or courier service for delivery to the end customer.

Since the successful implementation of TECSYS' WMS at Dismed, the company has seen a decrease in lead and distribution times. Manual receiving has been replaced with the use of scanners. In fact, the company has been able to cut down receiving time by feeding the data into the system directly with a bar code. This has led to significant improvements in delivery reliability and frequency. The rate of errors has been reduced dramatically thanks to the new technology.

Dismed has also been able to realize considerable savings in cost, inventory levels have dropped, translating to impressive savings. Other benefits to Dismed included:

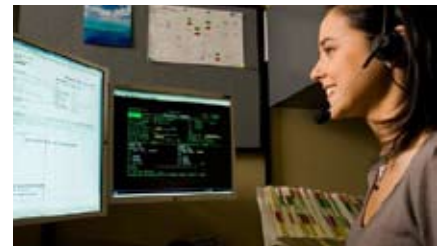
- Improved inventory accuracy rate to 99% +
- Eliminated inventory errors and costly labor-intensive processes
- The ability to effectively manage lots and expiry dates
- Optimized the use of available warehouse space
- Increased productivity workforce and reached an optimal level of efficiency and picking accuracy
- Increased customer satisfaction



Dismed keeps healthcare providers stocked with over 4,000 products ranging from lab and surgical supplies, to bandages and daily hygiene



Dismed's 80,000 sq. foot warehouse



"Becoming the strongest link in their customer's supply chain" - Dismed's "Raison D'être"

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