



## Healthcare

### Integrated Warehousing & Transportation Solution Keeps Leading Eye-Care Company Looking Good

#### ***Kuehne + Nagel drives improved customer satisfaction through increased inventory & shipping accuracy, cycle time reduction***

#### SITUATION

For one technology-driven, global healthcare company that provides eye-care and specialty pharmaceutical products, supply chain efficiency can spell the difference between market leader and also-ran.

The company was confronted with a fragmented logistics process in which its multiple manufacturing facilities attempted to store product and manage their own distribution fulfillment. This complexity was compounded by:

- Increasing demands of key mass-market retail customers for enhanced inventory control and reporting information, including advance shipping notices (ASNs), as a condition for doing business.
- Special requirements, such as dry-ice packaging for direct shipment to doctors.
- Corporate challenge to balance enhanced customer service and cost reductions.
- Efficiently support explosive growth of an industry-leading drug.

In 2000, the company decided to focus on its core strengths of marketing and product development, outsourcing warehousing and distribution to Kuehne + Nagel, with the goal of optimizing its logistics network. (NOTE: The contract originated with Kuehne + Nagel's former subsidiary, USCO Logistics.)

#### SOLUTION

Kuehne + Nagel analyzed product flow, inbound from manufacturing and outbound to customers, to determine an optimal network solution. The answer: a dedicated 135,000-square foot distribution center in Texas integrated with Kuehne + Nagel's non-asset-based transportation management service. The solution leveraged the company's 30+ years of pharmaceutical handling expertise.

Today, Kuehne + Nagel associates manage kitting of pharmaceutical product, as well as specialized handling for the blockbuster product and physician samples. For example, Kuehne + Nagel's inventory control process allows associates to segregate product nearing the early stage of expiration and break it into smaller quantities for sample shipments. Kuehne + Nagel also has developed the required labeling and advanced shipping notifications for customers.

#### RESULTS

Kuehne + Nagel helped the company meet its goals of increased productivity and quality while eliminating millions in annual expense. Savings were generated through:

- optimized transportation management
- labor and supply cost reductions
- divestiture of existing assets and facilities
- optimizing pharmaceutical sample distribution
- inventory tax planning.

In addition, Kuehne + Nagel drove improved customer satisfaction through increased inventory and shipping accuracy and reduction of cycle times. This included improving cycle times by nine days while climbing up vendor scorecards.

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