![tecsys™]

Integrated Pharmaceutical Distribution
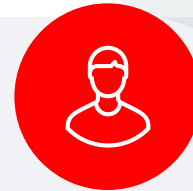ROi

Trends

Unsustainable healthcare costs

Fierce regulatory pressures

Growing influence of the patient

About **ROi**

More than a decade ago, Mercy founded a for-profit operating division called Resource Optimization and Innovation (ROi) in order to insource supply chain functions and improve service while significantly reducing cost.

ROi focuses on four areas of service: supply chain management, performance consulting, capital management and group purchasing. ROi is an innovative business model that integrates functions traditionally outsourced to commercial distributors, GPOs and consultants.

Challenges

ROi focused on consolidation and efficiency for the first two years.

New acquisitions

Replaced six commercial companies — acquiring their revenue streams and eliminating their markups.

Centralization

Moved buyers from all 21 hospitals to a centralized location, a 100,000-sq.-ft. distribution center in Springfield, MO.

↓ **38%**

A centralized distribution center resulted not only in a more efficient process, but also in a 38% reduction in resources.

Solutions

After a due diligence of the market, Tecsys' Elite™ Healthcare SCM and Elite™ Healthcare WMS was implemented to manage ROi's consolidated services center in Springfield, MO.

Tecsys was able to deliver accurate, real-time usage reports to all member hospitals. The ability to take pharmaceutical replenishment requests from the network of hospitals and patient facilities resulted in increased product accuracy, enhanced timeliness and improved patient safety. This also demonstrated a 98.5% fill rate, which is approximately a 10-point increase over traditional commercial fulfillment levels.

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"Our evaluation determined greater functionality was required to adequately support a fully integrated pharmaceutical distribution model. This conclusion led us to investigate several warehouse management systems, ultimately deciding on Tecsys' Elite™ Healthcare WMS as the most affordable and scalable WMS with proven experience in specialty pharmaceutical management by several major wholesalers."

Vance B. Moore
President and CEO, ROi

> **"Today Mercy has the ability to eliminate virtually all medication errors. All steps are carefully controlled throughout the process, including the management of the request, ordering, filling, repacking and unit dose barcoding through scan verification. This verification process ensures the patient receives the correct medication as prescribed at the correct time."**
>
> *ROi*

Outcome

As a result of implementing Elite™ Healthcare SCM and Elite™ Healthcare WMS, ROi achieved the following:

Improved patient safety.

- Barcoded unit dose direct to patient level.
- End-to-end lot and serial number tracking.

Reduced inventory and waste of low-volume high-value drugs.

- Safety stock/leftovers doses in a central location rather than in each pharmacy.

Gained total control of pharmaceutical inventory and fulfillment management.

- Expiration control through FEFO (first expired, first out) functionality.

Implemented strategic buy savings to avoid cost increases.

- Negotiated better cost based on global demand.
- Improved relationships with manufacturers.

Enhanced drug shortage management with demand visibility and distribution planning.

Facilitated product redistribution (overstock, nearing expiration) within the network to reduce waste.

Centralized repackaging to gain efficiency and reduce cost.

- Bulk purchase to unit dose packaging.
- Low unit of measure shipments.

> **"As the healthcare industry continues to change and the impact of government regulations becomes more prevalent, Tecsys' supply chain platform gives us the flexibility and connectivity to address and report on those changes."**
>
> *ROi*

About **Tecsys**

Since our founding in 1983, so much has changed in supply chain technology. But one thing has remained consistent across industries, geographies and decades — by transforming their supply chains, good organizations can become great.

Our solutions and services create clarity from operational complexity with end-to-end supply chain visibility. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.

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