

“We selected Manhattan not just to meet our immediate needs but to be a valuable part of our future plans. As we incorporate technologies such as voice picking and RFID, Manhattan SCALE has the ability to integrate with new systems and support our growth.”

**Jim Casselman, Chief Information Officer,
Buffalo Hospital Supply**



Headquarters: Buffalo, NY

Distribution centers: 1

Manhattan solution: Manhattan SCALE™:
Supply Chain Architected for Logistics Execution

Buffalo Hospital Supply's Solution for Rapid Supply Chain ROI

Double-Digit Growth And Inefficient Processes Point To The Need For New Supply Chain Solutions

Buffalo Hospital Supply (BHS) is one of the leading distributors of disposable medical supplies and equipment in the northern U.S., delivering quality products and services to hospitals, nursing homes and home health agencies across New York State and northwest Pennsylvania. BHS differentiates itself from competitors by concentrating sales and marketing, logistics and management efforts in a well-defined area and focusing on its core competency—distribution—while offering flexibility to meet customer requirements.

BHS's decision to update its supply chain came after several consecutive years of 20-25% annual growth. With inventory growing more than 30% a year, visibility to stock became more critical, but was difficult to maintain using a primarily paper-based distribution process. Inventory control efforts were time-consuming and required an excessive level of permanent and temporary staffing to complete tasks. With limited visibility to product movement within the distribution center (DC), BHS was forced to increase inventory in order to maintain required service levels. As the company began to experience decreased order accuracy, lower service levels and higher operational costs, BHS decided to implement new supply chain processes that would deliver increased visibility and continued effectiveness as the business grew.

BHS Selects Manhattan Based On Sound Technology, Commitment To R&D And Strong Support Services

BHS was seeking a supply chain solution that met the requirements of its base functionality from a vendor with financial stability and excellent support services. “We were about to invest significant time and money in a major business transformation, and only wanted to do it once,” said Jim Casselman, BHS chief information officer. “We wanted a solution that would support our business growth and the industry's technology advancements in the future. Manhattan Associates was financially viable, with strong support services, commitment to

Challenge:

Double-digit growth and inefficient processes led to decreased accuracy, lower service levels and higher costs.

Solution:

Since their initial implementation, Manhattan solutions have been upgraded, including voice integration, volumetrics and cartonization.

Results:

Picking accuracy above 99%; staffing reduced by 30%; return on supply chain investment achieved in just 14 months.



“Manhattan provided a project plan and kept us on task. By the end of the first week, our staff was ready to take over the entire operation.”

Jim Casselman
Chief Information Officer, Buffalo Hospital Supply



R&D and solid technology partners. Manhattan SCALE: Supply Chain Architected for Logistics Execution was a proven solution using sound technology that gave us everything we needed.”

Hands-On Participation In The Implementation Enabled Distribution Staff To Take Over The Entire Operation In One Week

BHS implemented Manhattan SCALE at its 148,000 square foot Buffalo facility. The company processes approximately 4,000 lines, or 10,000 containers per day, shipped primarily on a dedicated fleet of trucks serviced by Ryder Dedicated Logistics.

By deploying one solution, Manhattan SCALE, to address all of the company's key objectives, BHS was able to leverage the synchronized processes and visibility to increase inventory accuracy, improve on-time delivery, and reduce redundancy and inefficiency. Using the solution's picking and replenishment capabilities, BHS regrouped products in its facility more strategically to increase customer service and productivity. BHS also established worker accountability and performance metrics by enabling supervisors to compare specific warehouse activities to predetermined standards.

After the initial implementation in 2003, the facility was upgraded with Manhattan again in 2007. In addition to adding voice integration (from Vocollect), volumetrics, cartonization and a staging module, BHS relied on the company to provide guidance for replacing servers, client workstations, RF devices and printers. “They helped us replace virtually every piece of equipment we were using,” Casselman explained.

BHS Reduced Inventory Carrying Costs, Achieved Picking Accuracy Above 99% And Reduced Staffing By Nearly 30%

Since implementing Manhattan SCALE, BHS has increased performance levels, reduced inventory carrying costs and obsolescence, improved inventory accuracy, and reduced staffing by almost 30%. “One of our goals was to have 100% of inbound product put away on the same day, every day,” said Casselman. “Dock-to-stock time went from three to four days on many deliveries down to a single shift in most cases.”

With the solution's cycle counting capabilities, BHS has eliminated two physical inventory counts. The company now averages a 96% fill rate overall, achieving rates as high as 98% for many product lines. In addition, picking accuracy is consistently above 99% even as inventory has grown from \$6 million to \$8.5 million due to growth in overall volume. These kinds of numbers resulted in ROI after only 14 months.

Ongoing Improvements as BHS Continues to Look to the Future

The company continues to keep an eye on ongoing improvements through a core team that meets twice a month. The group discusses continued optimization and trends in industry technology, dock management and replenishment strategies. Such vigilance benefits BHS constituents, like its biggest trading partner that has established a continuous replenishment program through Manhattan SCALE to increase efficiency and supply chain visibility.

Casselmann points out that the company is already planning for additional upgrades in the coming months.