

CASE STUDY



McKesson

The perfect prescription



automation that delivers™

www.intelligrated.com

The perfect prescription

Pharmaceutical wholesaler upgrades its distribution center



IntelliSort.

McKESSON

Empowering Healthcare

When you think about hospitals, the emergency ward is the mission critical point. But for pharmaceutical companies, the distribution center is the most critical point. McKesson, the world's largest pharmaceutical wholesaler, was concerned about serving the needs of the growing population out of their existing distribution facility in Florida. The perfect prescription was the design of the new Lakeland, FL facility. The goal was to ship rapidly, accurately and economically, and the facility is exceeding expectations.

Florida's population is growing at a rapid rate and many of the residents are senior citizens, who take an average of seven medications per day. McKesson ships prescription medicines, over-the-counter drugs and health and beauty aids for hospitals, drug stores and retail chains. The new Lakeland, FL system needed to be designed for maximum throughput and to provide flexibility for growth to address the growing population.



MDR belted incline.

The facility is unique and not just a run-of-the-mill design. Besides having the normal full case, piece picking and full pallet requirements, the McKesson facility also has drugs that need to be refrigerated, security drugs that need to be in a locked cage and secure items required by the FDA to be in a vault. When order picking in the facility's various pick areas is complete, all the pieces of a specific order must converge. This was accomplished with an Intelligrated® automated material handling system. The orders are combined at the shipping dock where the labels are scanned and orders are consolidated.

The McKesson facility operates six days a week because most of the company's customers do not store much inventory and use this new Lakeland facility as their warehouse storage system. With over 45,000 stock keeping units stored in this 225,000-square-foot distribution center, McKesson operates with a lean staff.

"It was important that the design flowed in a way to get maximum throughput but still give the employees great productivity enhancements," said Craig Stewart, of FCP Integrated Systems, the system integrator for McKesson.

ROI achieved faster than expected!

McKesson's Lakeland system features Intelligrated's motorized driven roller (MDR) conveyor. MDR conveyor only runs when product is present, reducing power requirements. The energy efficiency, along with other benefits already expected, allowed McKesson to receive a six month return on investment.

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Components of the system

Picking occurs at several different places in the warehouse. When an order is received, a notification is sent via a wireless terminal to order pickers in a two-level pick module for over-the-counter and health and beauty aids. The system uses a pick-and-pass order picking methodology with conveyor transporting totes from zone to zone to increase picking efficiency.

Verification stations digitally record the contents of each outgoing carton to check for picking accuracy. Once the orders are complete and verified, the totes are then put on an IntelliSort® sliding shoe sorter which has been designed to conserve energy and lower noise levels within the distribution center. The totes are then sorted to one of ten shipping docks.

Replenishment of the carton flow rack was designed by FCP to include a conveyor so that the product is delivered to the stocker, reducing both walk and touch times. The stocker has a specially designed step ladder that arches over the conveyor to reach the top of the rack to replenish.

MDR conveyor, the most energy efficient conveyor in the industry, saved McKesson the cost of 147 drive motors and is easy to maintain. MDR also decreased AC unit requirements between 30 and 70 percent depending on volumes. When the facility is at full capacity and speed, this is a huge savings for McKesson.

Partners in success

The system integrator, FCP Integrated Systems (www.fcpi.com), worked with McKesson to design a system that would enhance their throughput and give them flexibility and the ability to respond quickly.

"The McKesson team was very concerned about customer satisfaction, speed, accuracy and throughput, which were all must requirements. Intelligrated worked with us to help design a solution that will serve McKesson well into the future," said Craig Stewart, President, FCP



2004 Modern Materials Handling Productivity Award Winner – Warehousing



"The sorter is so quiet that I can stand next to it and still have a cell phone conversation."

Doug Pace, General Manager, McKesson, Lakeland, FL

About Intelligrated

Intelligrated® is a leading North American-based, single-source provider of intelligent automated material handling solutions that drive fulfillment productivity for retailers, manufacturers and logistics providers around the world. Through a broad portfolio of automation equipment, software, service and support, Intelligrated solutions give businesses a competitive edge and optimize operational performance through increased flexibility, efficiency and accuracy.

Intelligrated designs, manufactures, integrates and installs complete material handling automation solutions including conveyor, IntelliSort® sortation, Alvey® palletizers and robotics, and automated storage and retrieval systems – all managed by advanced machine controls and software. Intelligrated Software offers warehouse execution systems, a scalable suite of software that manages the entire fulfillment process, including equipment, labor and business intelligence, integrated with voice- and light-directed picking and putting technologies.

From concept to integration to lifecycle support services, Intelligrated delivers dependable, sustained distribution and fulfillment success, and maximum return on investment. Intelligrated backs every project with 24X7 multilingual technical support and access to lifecycle service through a network of national, regional and local service centers.

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