

Vocollect by Honeywell Case Study

Australian Pharmaceutical Industries



Voice Results

Objectives

- Increase accuracy
- Improve productivity
- Reduce training time
- Reduce operating costs
- Increase customer satisfaction

Application

- Order Selection

Installation

- Vocollect Voice seamlessly integrated with Seimens Dematic's PickDIRECTOR™
- Vocollect SR Series Headsets
- Vocollect Talkman® T2 Mobile Computing Devices

Results

- Overall accuracy levels of 99.99% achieved
- Inventory accuracy improved by 99.8% on prescription lines
- Inventory accuracy improved by 98% on over the counter goods

ROI

- Achieved ROI in six months ahead of an 12 month plan

Setting a New Benchmark with Vocollect Voice

Australian Pharmaceutical Industries Limited (API) has developed into one of Australia's leading beauty and health retail companies. API was founded in 1910 and became one of Australia's leading pharmaceutical distributors. Changes within the pharmacy industry propelled API to focus on the needs of consumers and patients thereby developing a retail footprint and retail services that provide growth opportunities for the company today.

API is one of the leading service providers to the pharmacy industry in Australia and today has a relationship with more than 4000 independent pharmacies. The services include wholesale product delivery, retail services, marketing programs and business advisory services. API also owns and operates the Priceline retail store brand that is a leading health and beauty brand in Australia. The company has product manufacturing capabilities and it is a niche player in over-the-counter pharmaceuticals and toiletries, which supply the Australian and New Zealand markets.

The Challenge

Finding a Solution to Adapt To and Support Future Growth

API's NSW distribution warehouse was 18 years old, and the technology was making it difficult to keep up with customer demands. API wanted to develop a World's Best Practice facility and felt that going wireless would allow them to achieve their supply chain objectives: fulfilling service obligations, supply chain cost reductions and ROI.

API decided the best solution was to build a new facility, and use it as a model for the rest of their DCs. They believed that a highly automated DC would provide the best results for accuracy, speed and cost-per-item, as well as provide them with the capacity to support business growth over 20 years.

The pharmacy market is extremely time sensitive. Urgent orders have to be delivered within a couple of hours of API receiving the order, so API ships orders via couriers and a number of owner drivers. API delivers pharmaceuticals to more than 90% of Australian retail pharmacies. The timely delivery of medicines is critical to ensuring that the community can access life-saving or health stabilizing treatment from their local pharmacy.

"The initial level of operation was around 94% efficiency on day one...but within 6 months of operation, we already exceeded our projected productivity and associated cost savings that were projected for 12 months."

David Glance
NSW State Manager
Australian Pharmaceutical
Industries

API's national network of warehouses guarantees that they will deliver medicines within 24 hours of ordering and they are also geared to deliver medicines with special requirements, such as those which are temperature sensitive. Meeting these stringent requirements was top of mind as API began their update project.

The Solution

Picking the Right Solution

API selected Siemens Dematic Australia, a certified Vocollect Partner, to design the overall material handling system. It took just eight weeks to get everything up and running.

In addition to selecting the Vocollect voice-directed system, an integrated hardware and software solution, for split and full case orders in the brand new facility, API implemented a wide range of technologies.

They included an A-Frame for automatic order picking, an automated carousel, RF directed operations, and a "smart" conveyor system to deliver order to the dock doors.

Siemens Dematic's software platform, PickDIRECTOR™, manages and integrates all the various components, including voice, providing a single software platform and giving managers floor-level visibility. Since the upgrade, the warehouse moves around 6,000 cartons daily, and has the capacity to handle up to 20,000 a day.

The Results

Setting the Standard in Service

The Vocollect voice-directed system makes it virtually impossible to pick the wrong product due to the use of random digits, or check digits, to confirm the correct location. As a result, order accuracy levels of 99.99% were reached, allowing API to move from regular quality checks of all orders to checking random orders.

The new automated solution runs very efficiently and has removed costs from the supply chain. Productivity levels reached better than expected levels after just six months of operation and will continue to rise as API seeks ongoing improvements in performance.

API's highly integrated system proved to be the best way for them to grow their operation. The combined IT system helped API increase their order fulfillment rate to around 99.8% on prescription lines and around 98% on OTC goods.



Vocollect by Honeywell Global Contact Information

| Region | Phone | Email |
|----------------|--|-----------------------------|
| North America: | +1.412.829.8145 | info@vocollect.com |
| EMEA: | +44 (0) 1628 55 2900 | voc_emea@vocollect.com |
| Asia Pacific: | Hong Kong: +852 3915 7000 China: +86 10 5957 4817 Australia: +61 409 527 201 | apac@vocollect.com |
| Latin America: | North: +52 55 5241 4800 ext. 4915 South: +1.412.349.2477 | latin_america@vocollect.com |
| Japan: | +81 (0)3 3769 5601 | japan@vocollect.com |
| Singapore: | Singapore: +65 6305 2369 India: +91 124480 6738 | singapore@vocollect.com |

About Vocollect by Honeywell

Vocollect by Honeywell is the leading provider of innovative voice technology solutions that help companies with mobile workers run a better business. Together with a global team of over 2,000 Vocollect Certified Professionals, Vocollect enables companies to save more than \$20 billion annually through further optimization of operations, improving business decision capabilities, and delivering the industry's premier worker experience in challenging industrial environments to nearly one million mobile workers who move in excess of \$5 billion of products every day.

Vocollect integrates with all major WMS and ERP systems and supports the industry's leading handheld computing devices. Visit us at www.vocollectvoice.com.