



EVERY DAY IS AN OPPORTUNITY

To improve performance.

Don't miss our newest case study: From RFP to Launch in Just Four Months.
You'll discover how a leading pharmaceutical manufacturer successfully met their key metrics by outsourcing their inventory warehousing and order fulfillment to ICS.



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ICS

AmerisourceBergen

From RFP to Launch in Just Four Months

Case study of a successful partnership

In early 2017, a leading developer, manufacturer and distributor of pharmaceutical products, sought out a 3PL partner capable of outsourcing the manufacturer's inventory warehousing and order fulfillment. The manufacturer required a 3PL capable of managing "just-in-time" inventory for over 150 SKUs, handling logistics for a heavy volume of shipments, and providing seamless data integration for invoicing, purchase orders, and warehouse inventory adjustments.

One of the critical areas of concern was streamlining the process for managing, reporting, and fulfilling back-order product. Additionally, this manufacturer's Request For Proposal (RFP) set a high bar for success: complete all of the complex steps of system integration and warehouse logistics within four months and launch with no disruption in service.

By demonstrating an in-depth understanding of the client's business, ICS was awarded the program. Through our consultative, collaborative on-boarding process, and pre-launch planning process, we met all program requirements on time, and within project scope.

Within the first six months after transitioning to ICS, the client realized impressive performance with a significant decrease in lines on backorder.

99.97%
ICS ON-TIME
(OUT THE DOOR)

99.88%
ICS WAREHOUSE
ACCURACY

5M+
TOTAL UNITS
SHIPPED (6 MONTHS)

5K+
TOTAL ORDERS
PROCESSED

30K+
TOTAL LINES
PROCESSED
(6 MONTHS)

<400+
LINES ON
BACKORDER

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From RFP to launch in four productive months

In early 2017, the client faced growing challenges with their warehouse and logistics system, which supplied the company's generic brand of pharmaceutical products to leading retailers as well as distributors. In addition to the large number of product SKUs, a single order could include hundreds of lines, which complicated tracking and managing backorders.

The company issued a RFP in the first quarter of 2017, with a firm program launch date of October 2017.

The ICS Business Development team worked quickly, and in close collaboration with client stakeholders, to tailor a response that demonstrated an in-depth understanding of the manufacturer's business, key success metrics, and proven on-boarding plan to meet requirements.

Open to value-added services

ICS was engaged to provide the essential 3PL warehouse and distribution logistics in the U.S. and Puerto Rico, as well as manage product returns. The official program launch was targeted for October 16, 2017. However, thanks to ICS' deep resources and expertise, the first orders were shipped a week earlier.

3PL services:

- Ambient and refrigerated product storage
- Product distribution
- Undeliverable, refused, and damaged-in-shipment product returns
- EDI 9-series integration

As the client got a more intimate look at the in-depth reporting ICS was able to deliver, they opted to take advantage of ICS' custom reporting tools. The timely reports give them access to real-time data through a secure portal, which the manufacturer's previous partner could not offer.

System integration with speed

A critical requirement during the transition was integration with the client's Electronic Data Interchange (EDI) system. ICS also set up Business-to-Business ERP data integration via EDI for order management and procurement, including EDI 940 orders and EDI 945 shipment confirmations. In addition, the client also required a custom build out of the EDI 9-series transactions for warehouse inventory management. ICS' technology team lead the development process, working in close collaboration with the manufacturer during testing and implementation. The integration was successfully completed before project launch.

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Reducing back orders

A key pain point for this manufacturer's new 3PL to address was the ability to more effectively and efficiently manage the process for back-ordered products. Because an order from one of the manufacturer's retail or distribution customers could include several hundred lines, manual systems were ineffective at managing this critical process.

ICS automated the backorder process and was able to achieve a 63% decrease in backordered lines and reduced the average days on backorder to 24, both within six months.

Successfully meeting key metrics

Not only did ICS meet the client's launch date, the logistics and systems integration processes were seamless. There were no interruptions to the client's operations and in six months, they realized a wealth of improvements on their key metrics:

- Backordered units decreased by 49% and lines on back order decreased 65%.
- Overall customer service accuracy was 99.94%.
- Overall accuracy at the distribution center was 99.88% with a 0% rate of product damaged during warehouse handling.
- 100% shipment accuracy was achieved.
- Real-time reporting provided actionable insights to improve efficiencies.

ICS is the model of excellence in global healthcare logistics.

Since 1997, ICS has partnered with pharmaceutical manufacturers to deliver customized healthcare logistics solutions that improve the quality and efficiency of your supply chains. We have organically grown to become the recognized industry leader in outsourced logistics and distribution services.

With our expertise and the global capabilities of AmerisourceBergen, we bring proven and innovative solutions that deliver results. By starting with a consultative approach, we tailor your logistics strategy to your business goals and patients' needs.

We are more than a 3PL provider. We are your strategic partner.

As a strategic partner, we offer expanded, integrated logistics solutions designed to support pharmaceutical manufacturers regardless of size of your operation or where you are in the commercialization journey. We align supply chain strategy to your business goals and go the extra mile to deliver tailored healthcare logistics solutions that increase supply chain efficiency, maximize return on investments and enhance patient care.

