

Driving Efficiencies for Mobile Radiology Provider



For 25 years, Alliance Radiology has been providing hospitals, physicians groups and other health care providers with diagnostic medical imaging services for MRI, PETCT, CT and Radiation Oncology. The company performs more than one million scans annually, operates 550+ imaging and radiation therapy systems, has 10 offices and three warehouses, and provides service to more than 1,200 clients in 46 states.

Of its 2,300 team members, 200 are drivers responsible for moving Alliance's mobile imaging trailers, at night, to ensure units are ready to operate for patients the next day. Client agreements for mobile imaging services can be as short as 4 hours to as long as 30+ days. Alliance's fleet of mobile trailers completes 61,000 deliveries annually.

"Before Descartes, we did not have visibility into how many hours and miles each route would consume, which meant that we didn't know how many trucks and drivers we really needed. We can now staff our operations accordingly"

John Millen, Director of Logistic Operations at Alliance

Company Profile

Alliance Healthcare - Radiology
Healthcare Imaging Services

Descartes Solutions

Descartes Route Planner™

About the Client

Alliance Radiology provides patient care in the critical service line area of imaging. To do so, we deploy diagnostic radiology, radiation therapy and interventional radiology systems in a variety of settings, including within hospitals and clinics, in outpatient centers, and on medical mobile platforms.

Quick Overview

Challenge

Inefficient Route Plans Drive up Costs

Solution

Plan the Work; Work the Plan

Results

- Improved Asset Utilization
- More Efficient Planning
- Reduced Fixed & Variable Costs
- Streamlined Staffing

[READ THE FULL STORY →](#)

Challenge: Inefficient Route Plans Drive up Costs

Routes for Alliance's fleet of mobile imaging units were being created manually and not always with the needs of the business in mind. Alliance had limited visibility as to how many hours and miles each route should use, so the company could not pinpoint exactly how many trucks and drivers it really needed. To achieve optimal efficiency and standardize its processes across the country, a full reorganization of its fleet management was in order. Initially, John Millen, Director of Logistic Operations at Alliance believed an outsourced logistics model was the way to go. "We met with some industry leading transportation companies, but they struggled to understand our unique business model. Plus, our operational costs would increase by as much as \$3 million if we used them." While weighing his options, Millen had an epiphany, "Rather than outsourcing our transportation needs, we could implement the same route optimization tools and standardized processes that trucking companies use to ensure their operations are efficient."

Solution: Plan the Work; Work the Plan

70% of Alliance deliveries are set up based on long term contracts; the remaining 30% are scheduled on a week-to-week basis. Orders are fed into the system two weeks in advance. The following Tuesday, routes are optimized and resources are validated (taking into account driver and tractor availability, vacation schedules, equipment replacements, etc.). Schedules are then run on Wednesday, and teams are notified by Friday as to their routes for the following week. Drivers get a printed schedule, and jobs are also dispatched over mobile phones. According to Millen, "We want to eventually go to an on board computer in each truck, but for now this is the easiest way to ensure printed and electronic schedules match."

Since Alliance is able to cover the same amount of moves with fewer assets, the company has seen an increase in asset utilization of about 10%, as measured by the average number of deliveries per year per unit. In addition, Alliance can now also determine how many labor hours are needed, enabling them to improve driver utilization. With a reduction of 15 miles traveled per delivery, Alliance has also achieved savings on fuel, vehicle maintenance and overall wear and tear. According to Millen, "Our customer demand for deliveries has declined by 2% year over year, but by improving tractor and driver utilizations we've seen tremendous cost savings."

Alliance was previously overstaffed, but with Descartes they have been able to use resources more efficiently and reduce labor costs by 10%. Millen also explains that his team now spends less time putting out fires and more time planning – or as he explains it, "Plan the work; work the plan."

Millen also notes that the savings have continued to grow as processes are refined, and team members get better at using the solution. "We've seen the results and are committed to doing what we can to drive even more efficiencies and operational savings." Millen continues, "Deliveries are an essential part of the service provided by Alliance, and now Descartes is a big part of our core operations."

Results:



Improved Asset Utilization

The Descartes solution helped Alliance cover the same amount of moves with fewer assets, resulting in a 10% increase in asset utilization. This translated in a reduction of 15 miles traveled per delivery cuts fuel, maintenance, wear/tear costs.



More Efficient Planning

Alliance's dispatch staff went from 20 people creating route plans to three; they now spend more time planning, less time putting out fires.



Reduced Fixed & Variable Costs

Alliance has seen a fixed cost reduction from improved driver and tractor utilization of 1.2 million; in addition, the company experienced a variable cost reduction in miles traveled from improved average miles per move is \$570,000



Streamlined Staffing

Because of lack of visibility, the driving team was overstaffed; the Descartes solution enabled Alliance to assign the correct number of drivers for customers' demand and reduced labor costs by 10%.