

## Customer Success Story

## Stryker

## Efficiently Manages Warehouses with Descartes Transportation Management, Pick, Pack and Ship

Stryker is a global technology leader for the medical market. Stryker Canada's Hamilton, Ontario operations distribute products and services that help healthcare specialists provide innovative medical solutions to Canadians. Its Orthopaedics Division is responsible for distributing artificial hips, knees, bone cement and trauma equipment and supplies for surgeries to hospitals across Canada. Other divisions handle a range of medical equipment from hospital beds, stretchers and medical equipment to general surgery instruments, video equipment and microsurgery tools.

### Multiple Small Package Carriers for Mission Critical Delivery Cycles

Stryker Canada's warehouse receives and distributes goods imported from Stryker manufacturing facilities located throughout Europe and North America. This warehouse ships over 300 orders daily to hospitals and clinics across Canada for next day surgery, using a variety of couriers and express package carriers. Given the critical need for these items, accuracy and reliability of deliveries is essential to success.

"Our business is built on service. That's what distinguishes us," says John Steinberg, National Logistics Manager for Stryker Canada. "Some carriers are better for certain types of shipment or for serving specific regions, and others are better at rush deliveries. Given the different types of orders we process, we use a number of different carriers to ensure our products get delivered to the right place on time."

As with many warehousing organizations, inventory optimization is an essential requirement since space is at a premium at the 9,000 sq. ft. facility. At the same time, pick, pack and ship functions must be handled quickly and efficiently in order to meet tight deadlines and a wide range of order requests – many of which can come from the same hospital in a single day.

### A Single Point of Access for Carrier Management

To quickly and consistently pick the right carrier for shipment, Stryker uses the Descartes Transportation Management, Pick, Pack and Ship solution. Descartes Transportation Management Pick, Pack, Ship solution provides accuracy and visibility from the loading dock to the customer's door, and enables users to make efficient shipment decisions based on factors such as rates, service levels, and the required delivery date. As a "first mile" delivery service, Descartes enables Stryker to gather information at shipment origin, which extends the tracking of the shipment cycle.

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John Steinberg,  
National Logistics Manager, Stryker Canada

Operators and distribution staff at Stryker use the Descartes solution to process orders coming into the warehouse. After order items are picked, scanned and confirmed, the container goes to one of three shipping areas where the order number is scanned to display the order on a screen. For greater efficiency, each shipping area is dedicated to a specific product line – for Stryker, it is master packing, bulk and large quantity items, and surgical instruments.

Once the container arrives at the appropriate station, the Descartes Pick, Pack and Ship solution recommends a carrier based on delivery service needs (e.g. rush or standard, guarantee requirements), costs and geographical locations, as well as historical performance data. “Without Descartes we would need a whole floor of shipment computers to address each carrier given the large volumes we deal with daily,” Steinberg explains.

Once the solution recommends which carrier to use, the shipment is confirmed, a carrier compliant label is affixed, and it is sent to the appropriate pickup station where each carrier performs scheduled pickups twice a day. Once the item is scanned and shipment is confirmed, information on the shipment is sent back to Stryker’s operating system to populate the accounting system for invoicing and status tracking. Customer service representatives can also use the information gathered to check the status of orders.

### A Simpler, More Efficient Process

Steinberg reports that Descartes has helped eliminate the need for separate systems to manage each carrier. “All of the associated problems with choosing the ideal carrier for each

shipment are eliminated. At the same time, we can provide customer service with visibility into the status of shipments, allowing for a smoother running operation.”

Steinberg reports that Stryker’s ISO9001 certified facility has been able to achieve a 99.97% picking accuracy rate. “That’s phenomenal. We’re in a business where that could be your family member on the operating table. That is the mindset we use when we fill orders so we have to get it right. Some people may be waiting up to three months for surgery, which could get cancelled if the wrong product is shipped. It’s important to be able to manage deliveries through one location.” This is a topic that Steinberg can relate to since both his knees were replaced with Stryker implants.

### Planning For the Future

Stryker is working on a unique project with over 20 hospitals in southern Ontario, Canada each of which is a major user of orthopaedics. Stryker contracts a fleet of overnight drivers to pick up returned containers (located just outside of operating rooms) that hold returned items from the previous day’s surgeries and to drop off supplies for upcoming days surgeries. When goods arrive back at the warehouse, they are checked, scanned and the hospitals are billed for what was consumed. “While it’s still in the development phase, we’re working to provide hospitals with a customized scanning solution for their daily orders. Descartes will be a big part of that. We wouldn’t be able to do this without it.”

## Summary

### Challenge:

As a distribution company serving surgical specialists, Stryker Canada’s success relies on getting the right equipment to the right health care customer at the right time. Not only does the company have to manage limited inventory space, it also has to engage multiple carrier and small package carrier services to handle its 300+ daily deliveries.

### Solution:

Stryker has been working with Descartes’ Pick, Pack and Ship solution to provide a single point of access to manage pick, pack, scanning, carrier selection, labeling and order visibility across all carriers. The system recommends the carrier for selection based on geographical location, weight and urgency of delivery, as well as the carrier’s historical performance.

### Benefits Realized:

- Increased order picking accuracy and efficiency
- Critical delivery service expectation are met by choosing the right carriers and services
- Greater visibility into the “first- and last-mile” of each shipment
- Customer service representatives have access to shipment status
- Each shipping station handles the full range of carriers, services, rates, and labels, cutting workstations and improving warehouse efficiency
- Integration with accounting packages for streamlined invoicing and revenue recognition improving warehouse efficiency