



A 300% efficiency increase

How a 3PL provider in healthcare reinvented its supply chain with Dynamics 365 and ArganoArbela

Client: DCS (Direct Customer Solutions, formerly R&S Solutions)

Industry: Healthcare



Challenge

- Lack of automation in shipping processes
- Siloed data across legacy systems
- 3PL clients unable to quickly get insights



Solutions

- Microsoft Dynamics 365 Supply Chain Management
- Microsoft Dynamics 365 Finance
- Power Apps, Power Automate



Results

- Throughput increase of 300%
- Reduction in employee overtime
- Clients enjoy polished, automated BI reports



DCS (Direct Customer Solutions, formerly R&S Solutions) plays an integral part of the healthcare industry's supply chain, serving as a 3PL partner providing cost-effective logistic services to pharmaceutical companies and related healthcare businesses. Its services include traditional logistics to warehousing chains, wholesalers, and distributors or direct to retail, hospitals, and clinics.

The company's rebrand to DCS is timed to launch alongside its new facility, a 232,000 square foot "smart warehouse" with an automated storage and retrieval system that will help maximize 3PL efficiencies while also ensuring the highest accuracy in customer orders.

The services DCS provides can make the difference between a critical medication arriving on-time, or not at all. DCS has strict contracts with both the drug manufacturers and the customers to whom the manufacturers' products are distributed. Delays in delivery or inaccurate inventory information can result in serious fines or worse.

Where some supply chain management issues are primarily fueled by financial considerations and solutions are likewise geared to reducing costs, DCS's role in the

healthcare supply chain can easily be described as a matter of life and death..

Changing times, changing platforms

The company set its sights on increased automation in its existing facility, speedier and more accurate order processing, and improved inventory management, essentially setting the stage for its new automated warehouse (see it [here](#)).

The new warehouse will be a combination of hardware and robotics with Dynamics 365, augmented by ArganoArbela IP and applications, essentially serving as the "brains" of the operation.

The company also set its sights on migrating data and processes from a legacy, on-premises warehouse management system developed for 3PL providers. But it was clear that DCS had outgrown this specialized solution and needing something more scalable, a solution that could handle the speed of its growing business and integrate with other systems and datasets.

Additional challenges included "de-siloing" information and workflows in separate financial and customer relationship management systems, improving the analytics and reporting that fuel supply chain efficiencies, and in empowering DCS customers with the

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William Wells
VP of IT Infrastructure at DCS

ability to quickly access business-critical data from DCS systems and facilities.

DCS knew that before it made massive changes to its physical infrastructure, massive changes would be required in its technology infrastructure — and that the changes to both had to be 100% aligned in order for the smart warehouse

to deliver on its promise.

DCS turned to Microsoft and ArganoArbela to help it improve its current situation, to prepare for its new facility, to integrate its systems, improve inventory management, optimize order processing, and uncover all actionable data, and — in the end — deliver more value to its clients (the pharmaceutical and healthcare companies) and, in turn, their customers (all of us).

From pre-sales to post-live

The ArganoArbela methodology leans into the pre-sales process, and heavily, creating an easy-to-understand roadmap of any implementation, alongside achievable KPIs.

The DCS engagement began with a Strategic Insight Survey, which helped teams on both sides of the project better understand and align to overall business needs. From the survey, the ArganoArbela team was able to identify previous pitfalls and communication issues, and uncover fixes that would help ensure success for the project.

The solutions identified to solve DCS's challenges were Dynamics 365 Finance (as with its old warehouse management platform, DCS was using an older on-premise solution for finance and accounting), and Dynamics 365 Supply Chain Management. D365 Finance not only helped DCS optimize its own back-end accounting processes, but also extended throughout its network, as DCS does bookkeeping for certain clients.

But it was D365 SCM that solved DCS's most pressing pain points in inventory management and distribution, solving issues in existing shipping processes from pallet to small parcel.

The initial project focused on all outbound shipping: from partial truckloads to small parcels. Critical in the process was the ability to track from the container level to the bottle level

(containerization, serialization). For 3PL companies outside healthcare, tracking at the pallet level is often enough, but as DCS is a 3PL for pharmaceutical companies, tracking at each saleable unit level is critical for compliance with the Drug Supply Chain Security Act (DSCSA).

Additionally, the project would include utilizing Power Apps portals so that DCS clients would be able to quickly access data and reports (built with Power BI—also part of the project) that would help them better understand critical junctures in their own supply chains. This value-add was massive for DCS clients without advanced reporting capabilities.

DCS even offered reporting choices to clients: they could get raw data (spreadsheets generated by Power Automate—yet another part of the project), or polished BI dashboards. This data sharing—both how it was executed and how it was presented to clients—was a win-win: clients had the data they needed; DCS increased client satisfaction and engagement.

Finally, adoption of the overall solution in DCS would be ensured by tapping the Organizational Change Management team at ArganoArbela, which would create custom tools and training for different teams across DCS.

Increasing throughput by 300% in < 8 months, and a supply chain optimization “ripple effect,” and almost entirely during Covid lockdown

Leveraging the strengths of Dynamics 365 in its technology infrastructure alongside its existing physical infrastructure, DCS was able to increase throughput in small parcel shipping by 300%.

In healthcare 3PL services tied to the shipping of medicines across the

country to distributors, drugstores, and even end customers, a 300% increase in throughput is a win for all involved. And this win occurred during the height of the global supply chain crisis. When other 3PL companies were slowing down or even shutting down, DCS was ramping up.

This successful implementation also took place during the global pandemic: a full seven months of the project were done during lock-down, with the ArganoArbela team collaborating from a distance, but still able to connect completely with the client's needs and meet the project's timelines. (The client later stated that the team's “remote ‘collab’ skills were critical.”)

The wins extended throughout the enterprise, too, and included:

- Massive increase in order processing volumes: the new system enables DCS to go from processing around 150 orders per day to being able to process 75 or more per hour.
- Massive decrease in large order picking and processing: orders that used to take DCS two days or more to process are now being executed in as little as four hours.
- Reduction in overtime: where some companies only solve for supply chain management issues to run up the hours, DCS turned to Microsoft and ArganoArbela to create a solution that fixed its challenges while reducing the need for overtime.
- A Power Apps portal for DCS clients—pharmaceutical manufacturers and other healthcare companies—that provides them with Power BI reporting. The portals create a downstream effect in the overall supply chain as a feedback loop between DCS's clients, those clients' customers, and DCS itself was established.

And all of the above happened within about eight months of going live with their new solution.

A little OCM goes a long way

In any implementation of this scope and with this level of critical importance on a human level, it's crucial that the client's team members embrace the new technology platform, and that's where ArganoArbela's organizational change management team played a major role.

"ArganoArbela worked side-by-side with our team during and after go-live to ensure success," said William Wells, VP of IT Infrastructure at DCS. Because ArganoArbela understands that a successful Dynamics implementation doesn't end after go-live: it's only truly

successful when fully adopted across the entire client organization.

ArganoArbela's organizational change management delivered a communication and training program designed to fuel adoption, and—as the massive increases in productivity show—got the job done, and completely.

The last ERP DCS will need...

"This ERP will last the life of this facility," said Wells. "It's cloud-based, so we'll always be updated, and with the overall solution [Dynamics 365 Finance, Dynamics 365 Supply Chain Management, Microsoft Power Platform], we're keeping the organization in a supported envelope.

Additionally, I can now get more from my team. Instead of deploying them for tech maintenance, I can re-task them to serve the broader needs of the business."

DCS now has all it needs to run its automated warehouse, and ensure its overall house is in order, too.

To learn more contact us today at info@arbelatech.com.



About ArganoArbela

ArganoArbela is a global consulting firm and top-rated Dynamics 365 gold certified partner that empowers organizations around the world to digitally transform and grow their businesses. Our expert consultants offer strategic consulting, implementation services, support and managed services as well as pre-built software solutions that help our clients innovate using Microsoft Dynamics 365, ERP, CRM, Business Intelligence/Analytics and related Microsoft cloud solutions.