


# US Oncology News

[www.usoncology.com](http://www.usoncology.com)

JANUARY / FEBRUARY 2006

## Pharmaceutical Distribution **on track**

 **Oncology Rx**<sup>TM</sup>  
ORDER ENTRY SYSTEM

Processes, systems and support "go live," delivering quality products and service to network locations

  
US Oncology®



# Delivering quality, efficiency

Everything about US Oncology's distribution initiative – from the facility itself to all processes, procedures and systems – was done with a commitment to ensuring quality and efficiency.

"Our mission is to create the 'best-in-class' distribution services in the oncology marketplace," said **Rolando de Cardenas**, vice president of US Oncology Pharmaceutical Distribution.

## Designed for success

Quality and efficiency were the focus from the beginning, as the very reason for developing an internal distribution division. By integrating the purchasing, storage and distribution of nearly \$1.6 billion in pharmaceuticals for the network's 470 sites of service, US Oncology determined it could optimize the pharmaceutical supply chain.

"We believe that by developing our own distribution capabilities we will help affiliated practices realize significant operating efficiencies and help them continue a tradition of high-quality patient care," said **Bruce Broussard**, US Oncology president.

The design of the facility that houses these capabilities was also based on achieving maximum quality and efficiency.

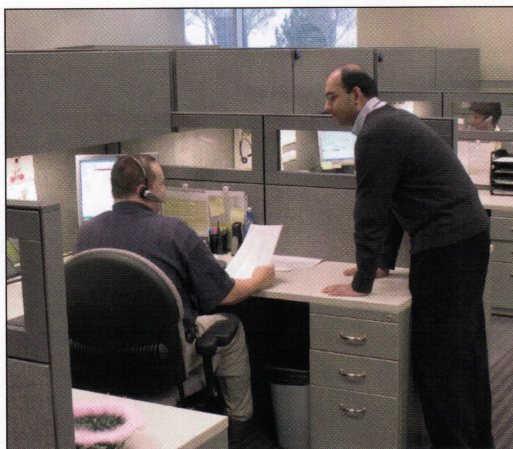
"The facility is designed so that the majority of work is done in less than 7,000 of the building's 75,000 square feet," said de Cardenas. "Less walking equals increased efficiency and productivity. And we take into account the size of the product and its frequency of use, so we put it in the best location for efficiency and productivity purposes."

The interior layout is designed in the shape of a horseshoe, featuring a U-shaped area in which a conveyor belt travels around a storage refrigerator.

"To the left and right of the refrigerator are the non-refrigerated items," he said. "In this way order-filling activity is concentrated around the refrigerator, with about 97 percent of the line picks happening there."



*Quality and efficiency are built into all processes, including picking and selecting, by Teresa Wilborn and Virginia Burch (above, front to back); customer service, by Robert Porter (far left), with Deloitte consultant "Siva;" and tracking and shipping (above far right) by Marty Negrete.*



## Tracking success

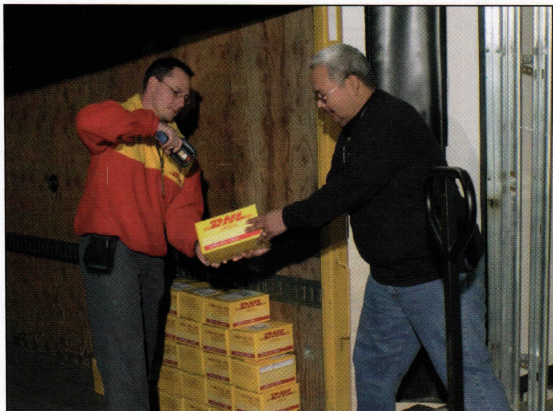
From a customer service standpoint, quality and efficiency are also top priorities.

"We are committed to developing a 'super' customer service team and environment, existing for the sole purpose of delivering the highest quality service to our practice-based customers," said de Cardenas.

But more than talking about outstanding customer service, the distribution center is actually doing and proving it.

"We're going to put together a report card of quality service measures," he said. "It will show how we're doing in order-filling accuracy, delivery time and phone calls, such as customers' time spent 'on hold,' length of service calls





and number of calls abandoned. We are going to track that and report it internally on a monthly basis. We want affiliated practices to see how we're doing."

Other proactive monitoring measures the quality and efficiency of distribution processes, and helps ensure the accuracy of drugs shipped. Every item received and shipped from the distribution center, for example, is monitored electronically with radio frequency (RF) devices that scan a bar code on the product.

"This is a very clean and pure way for us to track drug usage and ensure product integrity. Our plan is to be able to track manufacturers' lot numbers and expiration dates all the way to the patient level," said de Cardenas.

The distribution center's ability to track lot numbers is especially significant.

"No one else is doing this," said **Bobby Hall**, distribution operations manager. "It allows us to pioneer the quality metric for everyone in our industry as far as order accuracy and efficiency."

In tracking products by lot number, US Oncology not only identifies the type of product, but the production place and year of the group it shipped with, as well.

"Each piece has a lot number which we track so that we know what lot number goes to each practice," said Hall. "Through lot tracking, we can mitigate the impact of manufacturer recalls because we know what practices specific lots go to, and we can count all product that has moved. If the product had a sale the night before, we will count it the following day, which keeps our inventory clean and accurate."

The distribution system is also positioned to be in front of pedigree tracking that will soon be required by several states.

"This means providing each customer with a document that reflects the chain of ownership, or 'pedigree,' for a specific drug – tracking from the point of receipt to delivery and everywhere in between," said de Cardenas.

The process recently implemented will provide pedigrees for all drugs and to customers in every state. When the distribution center receives a drug from a manufactur-

er, the drug name, expiration date and lot number will be entered into the system, and this information will be provided electronically to practices when the drugs are shipped to them.

### Shipping success

The distribution center's primary courier service, DHL, and US Oncology staff have worked together to ensure quality, efficient ordering and shipping processes.

"DHL and US Oncology's warehouse management system are interfaced," Hall explained. "Once we go through the ordering process and release the order, OncologyRx™ automatically interfaces with DHL and then prints a shipping label specific to the customer location. This system cuts out all the manual processes, eliminating human error and increasing accuracy."

Distribution personnel have also worked hard to provide solid customer service by maintaining steady communication throughout the ordering and shipping processes.

"Each week before we roll out our shipments, DHL alerts each destination that packages are on the way," said Hall. "DHL lets the destinations know that these shipments are on the front of the route and that they are being handled with care."

If an issue arises, or DHL is not able to make a delivery to some of the more rural practice sites on time, procedures are in place to address it seamlessly.

"We work to get our products to those locations regardless," Hall said. "Our primary carrier is DHL, but we use UPS and FedEx on a secondary basis when DHL is not the fastest option."

### Collaborative success

Achieving "best-in-class" status, however, requires more than a talented distribution team, effective strategies and efficient processes. The entire network's collaboration also ensures that the project is a success. Seeking and listening to the needs and feedback of those on the front lines has been a very important part, enabling the distribution center to effect changes in protocol for the benefit of the network.

"Our goal has been to learn from the rollout sites and adjust our processes to ensure optimal operational efficiency for the practice site and distribution center, while ensuring complete accuracy of the order," said de Cardenas.

Daily morning conference calls that enable distribution management and practice-based OncologyRx users to discuss events and issues with the rollout have resulted in a number of improvements made to the order system – many almost immediately.

Those who will ultimately benefit the most from this collaboration, however, are not administrators and staff. They are the patients served by affiliated physicians and practices who are ensured accurate, timely and efficient delivery of their cancer drugs. ▲