Customer success story:
Safe and sure distribution of medical devices

Life-saving medical devices have to be delivered to the right place at the right time. If they’re not, the company’s reputation, its future business and, not least, the patient’s welfare are all at stake.

With hospitals and pharmacies often located in non-business areas, ingenuity and flexibility in the supply chain are key to ensuring every customer, large or small, enjoys the same level of service.

That’s why a growing US medical device company turned to FedEx SupplyChain to run its European logistic operations. Adjustability, reliability and the capability to safeguard the integrity of its life-saving products were further reasons to work with us.

Our Customer
The $300m+ publicly-traded company has manufacturing facilities in the US, Mexico, Germany, Italy and Slovakia. It develops products and technologies that address clinical needs in three market segments: infusion therapy, oncology and critical care.

Product lines include needle-free vascular access devices, closed-system hazardous drug handling devices and systems, needle-free closed-blood sampling systems and innovative hemodynamic monitoring systems.

We were asked to provide a supply chain solution that would support its growing market for advanced medical devices.

"FedEx Critical Inventory Logistics® is specifically tailored to manage inbound transportation, warehousing, inventory management, order fulfillment and distribution."

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FedEx Critical Inventory Logistics®

Our customer choose for FedEx Critical Inventory Logistics, because of its industry-specific features which allow them to focus on their core business while we’re handling their mission-critical supply chain tasks.

European Distribution Centre
During the first phase of stock consolidation, medical devices were transferred from the German manufacturing site to our European Distribution Centre in Eindhoven, the Netherlands. In the second phase, inventory was brought in from a former logistic service provider and we started to receive replenishment stock from manufacturing facilities in Slovakia and later from Mexico, the US and Germany. By centralising stock in Europe, the customer achieved cost savings and less capital was locked in inventory.

“FedEx Critical Inventory Logistics and its industry-specific features is helping our customer to concentrate on their core business.”

Receipt and Storage
Inbound. In less than 24 hours customer stock arriving at our European Distribution Centre will have entered the Warehouse Management System, ready and waiting for ordering and shipment.
Visibility. Our integrated system technology means inventory is quickly visible in the customer’s ERP system.
Inspection. During inbound, we spot check products and product labels for compliance with EU and local legislation. If packages or products are damaged or have deteriorated due to incompatible transportation or handling procedures, they will be quarantined and blocked from shipping. Damaged, sterile products may affect the performance of a medical device endangering patients or jeopardising the health and safety of the consignee, our employees or third parties.
Cycle Counting. Once all goods are stored, we ensure a high stock accuracy performance through regular cycle counting.

Outbound Order Processing
Warehouse Management System. Orders are processed through our integrated Warehouse Management System. During the pick-and-pack process, goods are scanned at numerous stages and same-day dispatch performance is above our customer’s standard.
Packaging. We over-pack everything but at the same time ensure the original production barcode remains visible on the box. No label from our transport operation is applied to the original box to avoid potential confusion at the hospital.
Transport Management. Managing transportation is a critical element of effective supply chain management. Our solution includes the use of the existing carrier relationship with FedEx Express and other preferred carriers. This allows us to manage the whole transport management process and steers transport movements towards minimum cost routes.

“We choose the carrier that best fits the customer’s requirements.”

Real-time Visibility. At all times our customer has the benefit of real-time stock visibility so it can replenish on time. The online visibility potentially reduces the amount of safety stock that has to be carried. Similarly, every shipment can be tracked online from pick-up to delivery. And, if a product has to be recalled or returned, reverse tracking is equally visible.

“Our supply chain solution always gives the customer end-to-end custodial control of inventory.”

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Expiry Date Management

A key aspect of the inventory transfer is expiry date management. The customer stipulated that no products should be shipped whose expiry dates were within 90 days. This is because products are often shipped to other tiers in the supply chain first and not directly to the patient. Our Warehouse Management System verifies all product expiry dates and initiates blocks on locations containing any such products to prevent picking.

Lot Numbers

As well as expiry date management, our system supervises lot numbers and items within each lot. Outbound orders rarely include the full quantity of a lot and there is always a small quantity of items left behind. Recording the remaining item numbers allows us to identify and subsequently pick these outstanding items.

Specialised Packaging

For ex-works orders – mostly freight orders of multiple pallets – goods are picked and custom-packed for collection. This is a complex requirement but an essential element of our customer’s business as many clients use this ex-works set-up. Each one has individual requirements in terms of packaging, number of boxes per pallet, maximum weight, type of labelling and so on. FedEx team members follow specific routing guides for each of these customers which detail their precise specifications. Our customer has been very satisfied with the smooth running of this service and its full adherence to the specific requirements for medical devices controlled by our ISO 13485 certified quality management system.

ISO 13485 Certification

ISO 13485 certified for the supply chain management of medical devices, our European Distribution Centre in Eindhoven is yet another example of the high quality service standards that attract so many customers to FedEx.

“ISO 13485 – excellence and continuing diligence in storing and fulfilling orders for medical devices.”

Central Location in Europe

The Netherlands is often referred to as the epicentre of European logistics. And our European Distribution Centre, close to its main sea and air port facilities, is strategically located in this economically vibrant area. Also known as the Blue Banana, it is an area at the heart of Europe’s high-tech and healthcare region. Additionally the Netherlands has instituted a system that provides for the deferment of VAT at the time of import, offering considerable cash-flow advantages to customers taking advantage of our European Distribution Centre.

FedEx Global Platform

Occasionally called on to ship medical products from Europe to Asia, the US and South America, our customer has been able to make full use of our integrated global network, giving them any number of logistical opportunities from one single logistics provider.

“Using FedEx Global Supply Chain Manager technology, we could offer a global service with no additional IT development costs.”

Complementary Services to the Medical Devices Industry

With patient welfare at stake, speed and accuracy as well as product integrity are paramount. That’s why our complementary services range is proofing invaluable to this customer.

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The Benefits of Using FedEx Critical Inventory Logistics

Taking the time, trouble and effort to understand every aspect of a customer’s business as consistently demonstrated by our team members, produces results that exceeded expectations:

- Consolidated inventory at FedEx European Distribution Centre, eliminating the need for excess warehouse inventory and offers better network planning and speed
- Located in the Netherlands, so enjoying the Dutch geographical, logistical and fiscal advantages
- Flexibility through utilising a variety of shipping services including FedEx Express and allied networks
- Global control and visibility through one single interface and integration
- Enhanced customer satisfaction with the FedEx reliability and time-definite delivery options
- Highly flexible IT systems to meet every business requirement
- An experienced and dedicated team of specialists directly available to support you and your business that really make a difference

About FedEx SupplyChain

As an integrated logistics provider, FedEx SupplyChain puts into operation solutions that leverage the FedEx transportation and information networks in commercial markets around the world.

A company that provides integrated FedEx services for customers with high-value products or complex supply chain requirements, FedEx SupplyChain offers specialty logistics services through a network of owned and managed resources – all tightly integrated via advanced IT systems.

FedEx SupplyChain helps customers turn logistics management into a competitive strategy by enabling them to focus on core competencies, reduce costs and improve customer service.

Need more information?

Do you want to know what FedEx Critical Inventory Logistics® can mean to your business?
Please contact our Global Solutions Sales Executive team.
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