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● SMALL PARCEL CASE STUDY

Olympus Medical scopes out the right carrier for its unique needs

WHILE A LOT OF SMALL PARCEL SERVICE contracting is based on price, some businesses have unique requirements of their carriers that might limit their choices. Olympus Medical Services North America is just such a shipper.

This division of Olympus services high-end medical scopes for physicians and hospitals (in this case, in the New York City area). Given the cost and use of these scopes, most of the users don't want to be without them for any longer than needed, so Olympus has done everything it can to minimize the shipping time back and forth from customer to repair depot.

"The big carriers have great services for getting packages anywhere overnight, but in our case, that level of service is not quite enough," explains David Kovach, regional service manager at Olympus in Hauppauge, N.Y. "Hospitals, as you would expect, have huge shipping and receiving areas and often packages get to that receiving area and sit there for hours or days, while the doctor is waiting for this very important instrument. So we needed to find a way of delivering the repaired instruments directly to the users wherever possible."

This meant asking the carrier's delivery person to bypass the receiving dock and walk these packages directly to the endoscopy suite, operating room or physician's office. Also, Olympus' previous



Olympus had a clear view of the level of service it needed from a small parcel carrier and found that regional carrier Eastern Connection was the one to deliver the goods.

carrier was charging a flat rate and the volumes of the service business were not high enough to make such a model economical, no matter what the service level.

Kovach went shopping for a carrier that could handle that service request at a reasonable cost. He says several carriers indicated they would be able to make the deliveries, but the timing of those deliveries was perhaps the stipulation that separated carriers the most. Not only was Olympus asking them to take packages directly to the user, but get them there before most of those users begin procedures at 7 a.m. or earlier most mornings—well before the first delivery option for many carriers.

THE CARRIER THAT WON the business for Olympus was Eastern Connection, a Massachusetts-based regional carrier. When Olympus finishes repairing scopes for the day at 6 p.m. in Hauppauge, Eastern Connection picks them up and

holds them overnight at its downtown New York facility. At 5:30 a.m. the next morning, Eastern Connection drivers are taking the parcels to doctor offices and hospitals before the Manhattan traffic makes such deliveries more difficult later in the morning.

"So the doctors get these instruments before their first case in the morning in most cases," Kovach says. "That's what's most important to our service business."

Eastern Connection's drivers and customer service representatives went through special training on Olympus' products to understand the special requirements when shipping and handling them.

The relationship has gone so well that Olympus expanded its use of Eastern Connection to the Boston market as well. But since it is a regional carrier, Olympus' other regional service centers are required to use other carriers.

"And we have a big move in the division to minimize the number of service providers we're using," Kovach says of the decision to use a regional carrier. "So I had to sell the benefits of this contract and provider to my higher-ups. But that wasn't too difficult with the success stories we have to tell."

Kovach points out that this model works in a service heavy business like repair of extremely expensive scopes, but even then, the volume of shipments has to be enough to make it economically feasible for them to do it. For noncritical small package shipments, Olympus uses a national carrier.

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