

# CASE STUDY

## Automating Excellence: Made4net Helps Rotech Healthcare Maximize Multi-Million Inventory by Removing Manual Processes



Rotech Healthcare manages millions in inventory related to its sleep apnea therapy and CPAP business. A large portion of its revenue comes from a single distribution center that manages this inventory and processes thousands of packages for shipping each day. And while Rotech is an industry leader in providing respiratory and home medical equipment and services, the company believed it might see greater gains and revenue if it could better understand and utilize the inventory it had on hand.

Counting, tracking, pick and pack, shipping, and returns management for this entire operation was manual until November 2016 when Rotech decided to adopt the WarehouseExpert warehouse management system from Made4net.

The Made4net WMS enabled Rotech to move beyond the process of manually estimating inventory for replenishment and guessing what its current inventory levels were, to a system that could track and report real-time levels.

The increased visibility is helping Rotech to better understand their business, their

inventory, and their potential to improve productivity and growth.

### **Smart Counting: Replacing 4 Lost Days with 99.8% Continual Accuracy**

The biggest need that Made4net delivered on was inventory accuracy and visibility. Rotech's previous manual reporting inserted delays and could lead to inaccurate counts, with verification and audits adding even further hours to discovering issues.

**“It was all manual, so we didn't have a way to see our current inventory in real time. The best we could do was a day behind, and much of the time it wasn't completely accurate,” explains Rotech's Inventory Supervisor, “but we started cycle counting with the new system five months ago and we are now at 99.8% accuracy.”**

Rotech's warehouse serves as a central patient direct distribution center for roughly 300 locations across the country, and it handles a significant portion of the company's revenue for its sleep therapy products. For the company to maximize its inventory usage and sales potential, it had to know what was in stock and how soon it could be delivered.



## MADE4NET HELPED ROTECH HEALTHCARE, INC.:

- Achieve and maintain 99.8% inventory accuracy
- Enable real-time visibility and tracking of inventory, assets, and employees
- Gain better productivity from its labor
- Generate needed reports and use system data to create custom orders
- Reclaim one day per quarter by automating the cycle counting process with the goal of reducing or eliminating outside audits
- Increase and improve its fulfillment standards and quality for more than 350 locations

## ABOUT ROTECH HEALTHCARE, INC.:

Rotech Healthcare is a national leader in providing respiratory and sleep apnea treatment as well as home medical equipment. Every day for more than 30 years, Rotech's family of hometown companies have provided the highest quality home medical products, unsurpassed customer service, and assistance in patient home health treatment through hundreds of locations across the United States of America. Additional information about the Company as well as employment opportunities can be found online at [www.rotech.com](http://www.rotech.com).

Quarterly physical inventories helped the warehouse team to set some expectations, but prior to implementing a WMS a proper inventory required shutting down the entire operation for a full day. Now they can generate real-time visibility thanks to continuous counting and automated tracking that got rid of multiple manual processes.

"With the new system, we have gained four additional days for shipping out packages. This is a big deal for us operationally and for our bottom line," adds the Inventory Supervisor. "Our fulfillment process is now much faster and smoother given inventory accuracy at the pick line and real-time replenishment. We can ship orders out in no time."

### Custom Support: RFP and Beyond

Rotech Healthcare provided a Request for Proposal when the company started looking for a Warehouse Management System. Beyond the core and extended functionality of its WMS, two factors caused Made4net to stand out:

- Knowledge and support during the RFP process
- Flexibility integrating existing systems and new needs

Made4net specialists assisted Rotech in understanding and working through some of their larger pain points around integration and implementation with its existing operations, in addition to some unique circumstances and challenges they faced.

Made4net was able to work with Rotech's proprietary systems used for taking customer orders and for corporate purchasing. The mission was to remain flexible while figuring out the easiest way to work with current platforms and support Rotech's development.

Data was one sticking point for Rotech. The company previously had been able to generate customer information within its systems, but had some difficulty seeing and exporting that data for other uses. Made4net WMS made it much simpler to export data or work with other systems that can use warehouse or inventory data.

"I now use the system's reports to create purchase orders," says the Inventory Supervisor. "It wasn't specifically designed to do this for us, but it's simple enough to use the data generated by the WMS to create a PO."

The company's ticketing has also been expanded thanks to the WMS, allowing existing tickets to be edited instead of the older process which required voiding and recreating tickets for any change.

### Special Requirement: HIPAA Compliance and Security

To protect itself and its customers, Rotech requires that all systems accessing its information must meet HIPAA standards for data protection and security. The Made4net WMS delivered the level of security and cloud-access needed for the company to feel comfortable with moving away from manual processes to an automated system.

"That security is required on all our data," says the Inventory Supervisor, "so we had to have a system that would meet our specific needs."

### Positioning Partners for Long-Term Success

A core piece of any effective relationship is helping your partner establish a position of strength where they can easily grow. For a warehouse management platform, growth not only requires a robust system, but also the ability to use that system for new goods, lanes, and business verticals.

Training was a vital piece of this puzzle for Rotech, and Made4net provided the broad support the company needed to start using the WMS immediately, make it their own, and fit it for future operations.

"I was really pleased with the way they did the training," explains the Inventory Supervisor. "It was like training the trainer. They made sure my knowledge of the system was in-depth enough to be able to train others as we move forward. It made us sustainable on our own," she says.

### Expanding to New Business Lines

In less than one year of working with the Made4net WMS, Rotech is already planning to expand the platform to another large vertical: respiratory ventilators.

The company's ventilator unit currently operates out of the same location as its CPAP and sleep therapy supplies, but there is little linkage between other infrastructures. And thanks to her training on the system, Rotech's Inventory Supervisor says she will be leading the addition and training for staff to integrate this new operation into their process.

Made4net WMS will help Rotech to track the movement of its ventilator equipment from the central distribution center to other business units and consumer locations, providing visibility into current stock, deployed assets in the field, and supplies required to keep everything operational.

A true partner can help a company grow and scale, whether it's supporting an additional product or adding an entirely new line of business. Made4net was pleased to provide the support needed to expand automation in Rotech's warehouse and increase the potential for revenue and operational efficiency improvements.

### Learn How You Can Run a More Efficient Warehouse

Rotech Healthcare chose Made4net to help raise the bar for inventory understanding and warehouse operations management, enhancing internal capabilities and improving customer service.

Whether you need assistance automating a manual process, better utilizing your data, or getting started with a warehouse management platform that can bring your operations to the next level, Made4net is here to help.

Contact us right away at sales [sales.us@made4net.com](mailto:sales.us@made4net.com) or 1-800-M4N-1041 to learn more.



#### ABOUT MADE4NET

Made4net is an innovative and leading supply chain execution software provider focused on developing WMS and TMS for medium sized businesses (SMB).

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