

One tag a day ... keeps inefficiency away



Client company: leading Italian distributor in pharmaceutical logistics sector.

Scope of the solution: RFID system for rapid identification of packages to be sent urgently.

The customer cooperative deals with supplying pharmacies and retailers who sell pharmaceutical and parapharmaceutical products to the final consumer. For its own supply, the cooperative relies on a series of logistic operators in the sector, who store stocks of more voluminous drugs and make daily deliveries of whatever required.

Symptoms of a malaise

The cooperative's distribution work routine includes a plan of 2-3 deliveries per day to client pharmacies.

The major problems in this activity depend on the fast pace necessary for the timely fulfilment of orders, especially urgent ones. This is particularly complex when the urgent material is not available at the cooperative's warehouse and the cooperative in turn has to obtain supplies from a logistics operator further up the distribution chain.

As in other cases, however, in order to minimise operating and transport costs, the logistics operator sends entire pallets of medicines, in which urgent packages are not distinct from standard ones. This



implies that, before being able to process urgent orders, it is necessary to take an inventory of the goods in stock, and proceed with withdrawals only at a later stage.

This obviously generates redundant operations, inefficiencies and delays in the delivery of goods to pharmacies, which expect to obtain the required product mix in less than 24 hours.

The specialist visit

The Consulting & Solutions team has once again supported the customer in the analysis of warehouse processes inefficiencies to redesign the workflows in the name of maximum speed and precision in order fulfilment.

For this purpose, KFI has envisaged the adoption of RFID technology to automatically identify, in the reception phase already, the urgent packages present in the pallets shipped by the supplier.

This way, the storage operations of the goods which should pass quickly are avoided and the waste of time in searching for the necessary packages is eliminated: all this obtaining much less lead time when it comes to pharmacies.

KFI recipe

The solution implemented by KFI required a double intervention.

On the one hand, the logistics operator was asked to apply a high visibility RFID tag on the items which the cooperative, in order stage, indicates as urgent.

On the other hand, an RFID gate has been installed in the customer cooperative warehouse for the immediate reporting of pallets containing urgent items when such pallets pass through.

Where the pallet contains a package with a tag, the RFID gateway activates an acoustic and visual alarm, warning the operator. In these cases, the pallet is re-routed to a special area, where it is opened to collect urgent packages, highlighted by high visibility orange tags.

At this point, while the rest of the packages are stored in the warehouse according to standard logic, the urgent product is immediately sent to the shipping, avoiding time delays due to the storage and picking operations common to other product categories.



The results An infusion of productivity

The process redesigned by KFI and the customer's management, in combination with the implemented technological proposal, made it possible to streamline internal logistics activities, obtaining a faster and less error-prone process. This has allowed a clear reduction in delivery times to pharmacies, thus guaranteeing full customer satisfaction.



KFI is a system integrator specialised in the realisation of innovative and custom-designed projects. Since 1991 it has collaborated with the most important technology manufacturers worldwide and supports companies in tracing, innovating, and streamlining processes in all phases of the Supply Chain: production, logistics, distribution and retail.