

CASE STUDY:

HME Provider Saves \$4.9 Million After Implementing TIMS Delivery



The Challenge:

For many HME Providers, high delivery costs cut deep into the bottom line. Human error on a manual dispatch system means that drivers deal with duplicate stops, overlapping delivery areas, poor routing, and other

miscommunications that led to wasted fuel, additional vehicle wear and tear, and driver overtime.

When an HME Provider has a system that relies on paper, there is a need to dedicate a significant amount of budget to the cost of materials and still face the potential to run out of necessary forms, leaving drivers unable to collect a signature for proof of delivery.

Developing a company model focused on the customer is also compromised—with a completely manual process, customer service representatives don't have the tools to indicate which deliveries are a priority, are not able to determine a driver's location, and have to

ABOUT THIS TIMS CUSTOMER:

This case study was written in collaboration with a particular TIMS Software customer. To protect this HME Provider's privacy we've removed their company name. Here are a few of their business stats:

- 20+ locations & 800 employees
- Approx. 30,000-40,000 monthly deliveries across the mountain states
- Products and services offered include a range of respiratory therapy, oxygen therapy, sleep apnea products, negative pressure wound therapy, complex rehab technology, and other HME and medical supplies

"We knew we had to operate as a leaner, meaner machine. So that's what led to some of the conversations about trying to develop the technology to improve our delivery efficiencies."

TIMS USER

Corporate Director of Logistics and Clinical Operations

repeatedly contact drivers for "best guess" updates on expected arrival times. In addition, team members in the field can't change or update orders without first calling the customer service center to confirm prices and the additional stock available on their truck.



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The Solution:

HME Providers know they needed to incorporate, at a minimum, three key changes: a paperless model, routing with turn-by-turn directions, and improved visibility between customer service and the delivery team.

After exploring opportunities with several potential partners, our HME Provider determined that Computers Unlimited, developer of TIMS Software, could meet their comprehensive needs and began the journey to implement TIMS *Delivery*, a mobile application. After a period of collaboration and development with the TIMS Software team, this provider rolled out TIMS *Delivery*, with routing support from the TIMS Software's integration with Roadnet®.

The TIMS *Delivery* mobile application seamlessly syncs with the TIMS Software system. It gives teams the ability to route orders, securely access patient information, access checklists and forms, check inventory and pricing, record serial numbers, collect electronic signatures, take credit card payments, confirm orders, print or email receipts, and more. With the Roadnet integration, TIMS *Delivery* users can add advanced routing and load optimization capabilities.

The work didn't stop there. Since the launch, the HME Provider and Computers Unlimited have continued to fine-tune and innovate new developments based on users' feedback, with a focus on continuing to meet their developing needs.

*“ We were able to continue to modify and tweak TIMS *Delivery* to where it needed to be, and the end result was a very functional proof of delivery and paperless solution, and we were blown away by it. We're still blown away by how comprehensive it is. ”*

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The Results:

The HME Provider's investment in TIMS *Delivery* paid off. The company was able to replace outdated processes with streamlined mobile technologies. Implementation of these new tools saved the provider nearly three and a half million dollars in labor costs, more than one million dollars in delivery expenses, and nearly half a million dollars in operational expenses over the course of one year—**for a total savings of \$4.9 million.**

Delivery Expenses:

The provider's total monthly deliveries increased from about 34,000 per month to around 41,000 per month. Yet, while making more deliveries, they still saw a significant reduction in the number of vehicles needed and the amount of fuel consumed because their routes became more efficient.

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The HME Provider, using TIMS *Delivery*, reduced the number of routes it assigned by 29 percent and saw a 35 percent decrease in average miles per vehicle, while increasing the number of deliveries per truck by 35 percent. Courier performance also improved with a 7 percent decrease in the number of couriers used, but a 31 percent increase in deliveries.

Labor Expenses:

Since deploying TIMS *Delivery* and the Roadnet integration, the provider now operates with 65 percent fewer dispatchers, 22 percent fewer drivers, and 86 percent fewer back office staff. In addition, the company has reduced driver overtime from 11 percent to under 3 percent.

Drivers are more efficient because of improved routing and mobile delivery conveniences (access

DELIVERY EXPENSES	BEFORE	AFTER	NET CHANGE	% CHANGE	COST PER VEHICLE	YEARLY SAVINGS
Fleet Vehicles (<i>lease, registration, insurance</i>)	203	169	-34	-20%	\$13,589	\$462,026
Fuel Consumption (<i>gallons per month</i>)	52,545	39,785	-12,760	-32%	\$2.98/gallon	\$456,298
Vehicle Maintenance (<i>cost per month</i>)	\$47,687	\$34,111	-\$13,576	-28%	Varies	\$162,912

DELIVERY PERFORMANCE	BEFORE	AFTER	NET CHANGE	% CHANGE
# Deliveries/Month	34,254	41,245	6,991	17%
# Deliveries/Truck/Month	194	299	105	35%
# Deliveries/Truck/Day	9	14	5	35%
# Daily Assigned Delivery Routes	155	120	-35	-29%
Average Miles/Vehicle/Month	2,376	1,756	-620	-35%

LABOR EXPENSES	FTE BEFORE	FTE AFTER	NET CHANGE	% CHANGE	SALARY AND BENEFITS	YEARLY SAVINGS
Dispatchers (<i>includes after-hours employees</i>)	23	8	-15	-65%	\$38,500	\$577,500
Drivers	177	138	-39	-22%	\$48,000	\$1,872,000
Back Office Staff	29	4	-25	-86%	\$40,000	\$1,000,000

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to patient information, ability to check inventory, electronic forms, etc.). In addition, they now use TIMS Delivery picking sheets to pre-load trucks with the items needed for a route, cutting the time it takes a driver to get on the road from around 90 minutes to just 15 minutes.

This HME Provider also needs fewer staff per shift at their dispatch center. Since customer service representatives can provide specific expected delivery times with TIMS Delivery, and because drivers are now running on time for 98 percent of their appointments, calls to the customer service center dropped from 500 calls per day to 30-40 calls per day.

In addition, this TIMS Delivery user was able to decrease the size of their post-delivery quality assurance team. Prior to implementing the mobile delivery app, quality assurance staff would check for signatures, verify regulatory items, and make sure the correct accessories were entered on the invoice. Today, TIMS Delivery automates many of these processes with built-in quality assurance.

Other Expenses:

Prior to deploying TIMS Delivery, our customer spent \$250,000 on materials annually and still faced the potential to run out of necessary forms, leaving drivers unable to collect a signature for proof of delivery. With TIMS Delivery, they were able to completely eliminate the need for work order forms and education

“From a customer service standpoint, and just a business and efficiency standpoint, TIMS Delivery is a must-have to be competitive today. If you’re not doing this, you’re behind.”

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Corporate Director of Logistics and Clinical Operations

materials, instead opting for digital versions of each.

Once our HME Provider found that their customers prefer the email receipts available through TIMS Delivery, they began including a link in digital receipts that leads to a patient education portal, and no longer print welcome and information packets.

While saving money on printing and paper was a significant benefit of eliminating paper forms, other benefits included reduced re-keying of orders, reduced chance of misplacing documents, and orders that are immediately updated in the TIMS Software system.

OTHER EXPENSES	BEFORE	AFTER	NET CHANGE	% CHANGE	COST	YEARLY SAVINGS
Printed Work Order Forms	77,000 pieces/mo	0	-77,000	100%	\$0.129 per piece	\$119,196
Printed Education Materials	77,000 pieces/mo	0	-77,000	100%	\$0.08 per piece	TBD
Answering Service	\$29,087/mo	\$4,854	-\$24,233	-83%		\$290,796