



## National Center for Supply Chain Technology Education

RESOURCES FOR EDUCATION & INDUSTRY

### Leading the Way: Cardinal Health Offers Customized Distribution for Healthcare Providers

Headquartered in Dublin, Ohio, Cardinal Health Inc. is the leading provider of products and services across the healthcare supply chain with more than \$70 billion in annual sales. The firm is able to customize distribution of pharmaceutical and medical products for firms working at every point on the healthcare spectrum – from emergency rooms to physician’s offices - across the U.S. through its network of 39 distribution centers. Every day Cardinal Health workers are able to ship out more than 200,000 types of medical products from over 2,200 manufacturers to their customer base of more than 50,000 organizations. In fact, the company is able to provide next-day delivery of medical products and drugs to more than 30,000 locations!

The firm’s ability to fulfill orders so rapidly across such a large market is due in large part to the supply chain technology it employs; the Automated Inventory Management System (AIMS) it utilizes in its warehouses. Cardinal Health customized the Automated Inventory Management System (AIMS) product to receive, inventory, store, and ship all types of medical products. Computerworld magazine recognized AIMS with its “Best in Class Award.”

AIMS enables the firm to more quickly and efficiently move products through its five “mega-hubs” to its distribution centers nationwide which is critical when people’s lives are at stake. The firm’s hub in Waukegan, Illinois alone features four miles of conveyor systems, 180 lift trucks and power equipment to transfer supplies, and a fully visible computerized inventory system which utilizes RFID and bar coding technology.

Cardinal has built on its supply chain success by also acting as a 3PL or “third party logistics provider” for other companies. Through its Integrated Logistics Services division, the company provides medical manufacturers with a turnkey solution for outsourcing all or portions of its supply chain such as warehousing and transportation. In this way manufacturers can focus on producing medical equipment and drugs and Cardinal Health can ensure the effective, safe delivery of those products to end users.

#### **Sources:**

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