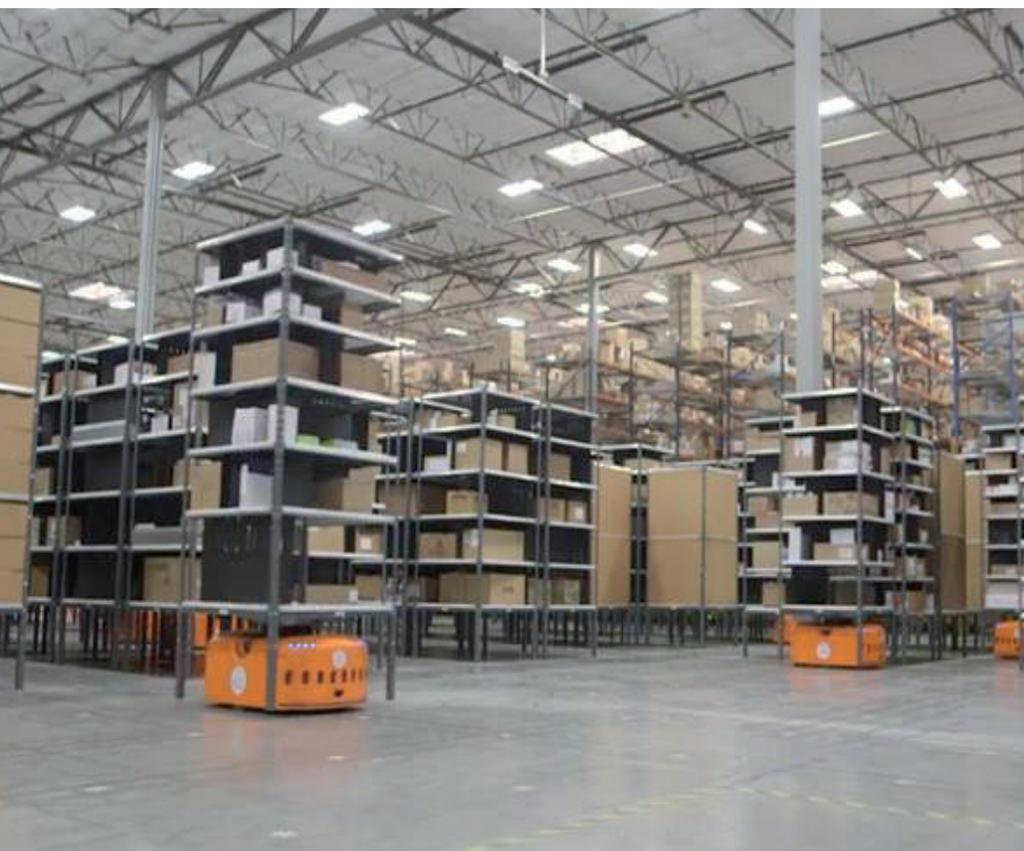




# Connecting the world of medical products to the point of care<sup>SM</sup>

Owens & Minor transforms from a U.S. distributor of wholesale medical and surgical products to an international healthcare logistics and supply chain solutions company



## Customer profile



Company	Owens & Minor
Industry	Healthcare
Country	United States
Website	<a href="http://owens-minor.com">owens-minor.com</a>

## Business need

Owens & Minor, a leading distributor of medical and surgical supplies that is now an international healthcare logistics company, sought to align its overall IT strategy so it could focus on advancing its business model.

## Solution

The organization chose to work with Dell Services to deploy a new strategy that enables business evolution through a combination of cloud-based infrastructure, big data, and mobility.

## Benefits

- Aligns IT strategy with corporate goals to enable a transformation into a healthcare logistics services company
- Enables continued same day delivery of medical products to 4,000 healthcare providers every day
- Enables \$50 million in technology investments into new capabilities, paid for, in large part, by offsets in delivery costs via new cloud delivery model

## Solutions at a glance

- [Cloud Services](#)
- [Managed Services](#)
- [Mobility](#)
- [Security Services](#)
- [Application Services](#)

“We have invested \$50 million in new capabilities, which was funded, in large part, through the efficiencies we get from having Dell Services manage our infrastructure. Working with Dell has freed operating expenses for us to invest in things that really move the dial on our business.”

*Rick Mears, CIO and Senior Vice President, Owens & Minor*

For years, Owens & Minor, the nation's leading distributor of name-brand medical supplies, has been committed to delivering vital medical and surgical products such as bandages, syringes and IV fluids to healthcare provider customers as efficiently as possible. "Through a network of more than 40 domestic distribution centers and a large delivery fleet, we bring together thousands of manufacturers of medical supplies, so a hospital or healthcare provider can place an order in the morning and receive the product the same day," says Rick Mears, CIO and senior vice president, Owens & Minor.

"We can deliver products the same day they're ordered to 4,000 healthcare providers, and Dell is the glue that holds our systems together and makes that all possible."

*Brad Parsons, Regional Director of Operations, Owens & Minor*

But, as the healthcare market began evolving and competition intensified, Owens & Minor realized it needed to rethink its IT strategy. "We wanted to move from being a traditional distributor to adding more value by going deeper into hospitals, connecting the world of medical products to the point of care," says Brad Parsons, regional director of operations, Owens & Minor. "We also wanted to expand our business model to become global." Additionally, the company needed help with data analytics. "We wanted better access to the data on the products that move on our trucks and through our buildings, to understand what's happening not only in our distribution centers, but at the point of care," says Parsons.

Owens & Minor also sought help ensuring the security of customer data. "All our technology and our customers' data needs to be protected, and we need an advanced IT partner to help us with that," Mears says.

To successfully reshape its business, the company knew it needed assistance in developing a new IT strategy that would enable it to enter new markets and deliver new services to its customers.

#### **Choosing Dell Services for managed IT services**

Owens & Minor had been working with Dell Services for several years, with Dell hosting and managing

much of the company's IT systems in a technology center in Plano, Texas. As part of that relationship, Dell manages the company's widespread automation processes and many other logistics systems in the Owens & Minor infrastructure.

To support its new business transformation, Owens & Minor chose Dell to help create the flexible architecture necessary to support Owens & Minor's rapidly-evolving business needs. With the help from the new architecture, the company was equipped to move from being a U.S.-focused transportation and warehouse organization, to becoming an international healthcare logistics provider.

Out of its new strategy, Owens & Minor chose to move more of its critical systems to a Dell-managed cloud solution which gives Owens & Minor on-demand capabilities. "Dell now manages

#### **Products & Services**

##### **Services**

[Dell Cloud Services](#)

[Dell Managed Services](#)

[Dell SecureWorks](#)

[Dell Application Services](#)



critical IT infrastructure on everything from our automation software to our warehouse management system to how we use our trucks,” says Parsons. Dell also integrated the Kiva retrieval system, used in certain facilities with existing Owens & Minor distribution center solutions. As a result, the company is able to improve efficiencies while still meet its customers’ requirements for same-day product ordering fulfillment. “We distribute medical supplies on behalf of about 1,500 manufacturers, and we stock around 200,000 products in our 40-plus distribution centers. We can deliver products the same day they’re ordered to 4,000 healthcare providers, and Dell is the glue that holds our systems together and makes that all possible,” says Parsons.

### Realigning its business and creating new opportunities

The company has successfully realigned its business model, and has partnered with Dell Services throughout this evolution. Instead of simply being a wholesale bulk distributor, the company now has the ability to offer any medical product to the point of care with help from a cloud platform. “We have progressed from a buy-and-sell business to a healthcare logistics services company, and that investment was enabled by the efficiencies we get from having our technology hosted in the Dell cloud,” says Mears. “We invested \$50 million in new capabilities which was funded, in large part, through the efficiencies we get from having Dell Services manage our infrastructure. Working with Dell has freed operating expenses for us to invest in things that really move the dial on our business.”

Owens & Minor has also been able to create new business opportunities. “One of the great things about our partnership with Dell is that we’re really good at supply chain and logistics, and Dell Services is really good at healthcare IT,” says Mears. “Hospitals have long been Dell customers, and Dell has helped us get deeper and deeper inside the inner

workings of acute-care facilities. Dell has helped us as we extended our reach beyond the hospital loading dock so we can serve hospitals’ supply needs in the hallways, storage rooms, patient rooms, and even operating rooms, where the real work of healthcare is being provided.” In fact, Owens & Minor launched two new offerings. The first helps hospitals stock medical products on-site. The second offering is an initiative through which Owens & Minor assembles and delivers custom procedure kits based on a specific surgeon’s needs.

### Securing critical customer data

Owens & Minor is relying on Dell SecureWorks to protect critical data. “All of our data and our customers’ data needs to be protected, day in and day out,” says Mears. “We cannot do that ourselves. It’s a massive job for us to protect our customers’ data, our suppliers’ data, and all of our company assets, so we turned over all our managed security services to Dell SecureWorks and never looked back. SecureWorks gives us a five-layer security process that’s very difficult to penetrate.”

Now, the company can better protect customer data with Dell SecureWorks. “We are the stewards of our customers’ data and the guardians of our suppliers’ data, and we can protect that data, as well as our own systems, from the bad guys by using Dell SecureWorks,” says Mears.

### Empowering employees with mobile capabilities

Owens & Minor is also giving employees mobile capabilities through its relationship with Dell Services. “We have very large operations, large buildings, and a very large fleet, and it’s all mobile,” Mears says. “Dell has taken mobile computing and laid that over our operational systems to improve the mobility of our teammates and fleet.” For instance, Dell Services helped Owens & Minor deploy mobile voice recognition



units inside distribution centers, as well as handheld scanners and tablets in warehouses. "All our people are using radio frequency devices on the warehouse floor, and all our trucks are GPS-enabled, so we know exactly where they are at any given time," Parsons says. "We're able to take that data and improve our operations every single day and make our work environment better."

#### **Enhancing the customer experience with Oracle Applications**

When Owens & Minor decided to expand its offerings to provide logistics services on a fee-for-service basis to their customers, the company reached out to the Dell Oracle Practice to implement the business processes, Oracle technology, and tools to enable the new business. Dell implemented Oracle Order Management and Inventory, and integrated those applications to the Owens & Minor warehouse management systems using the latest middleware technology.

#### **Taking advantage of 24x7 support**

When IT system issues arise, Owens & Minor can rely on Dell for around-the-clock support. "We used to spend hours and hours trying to figure out how to keep things running, and we don't have to do that anymore, because Dell takes care of it all," Mears says. "That has helped our technology leadership team really focus on improving the business." If a serious incident occurs, Owens & Minor simply calls Dell Services. "We had a power surge in one of our facilities

that took out a generator and the blade servers that manage the Kiva system," says Parsons. "We called the Dell technical support group, and one of their technicians worked with us continuously for 48 hours to fix the problem and get us up and running again."

#### **Helping healthcare providers enable better outcomes**

Through its business transformation, Owens & Minor will ultimately be able to help its customers improve patient outcomes. "Operational excellence is becoming very important in healthcare," Mears says. "Because our technology helps us deliver the right products to the right place at the right time, we can extend that operational excellence to our customers, which enhances the quality of care and, by extension, leads to better patient outcomes."

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*Rick Mears, CIO and Senior Vice President, Owens & Minor*

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