

PATTERSON COMPANIES: From Paper to Performance

**How Patterson Logistics
Services transformed
operations by voice-
enabling SAP**

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About Patterson

Patterson Companies, Inc. is a distributor of dental and animal health technology, products and equipment, as well as a provider of marketing, support and logistics services. Located in St. Paul, Minnesota, it serves

both oral health and veterinary professionals located across North America and the United Kingdom.

Patterson fulfills roughly 92% of its orders on a same-day or next-day basis to meet the needs of its veterinary and dental clinics. Since its customers don't have their own

warehouses, just-in-time shipping has become the norm to handle rising customer expectations and the demand for quick turnaround on all orders. "We don't pool orders overnight, or even several hours ahead of time," says Paul Courchene, Logistics Core Team Leader for Patterson, "We process those orders as soon as they come in."

The Goal

Patterson, whose operations ship roughly 25,000 orders every day, had been fulfilling orders using paper documents and manual processes. There was also a legacy warehouse management system in place that "didn't play well with other software platforms," according to Courchene. "We weren't able to integrate with any of our customers or vendors to share information with them. We were also struggling in the areas of batch management and the matching of serial numbers."

Patterson's goal to achieve industry-leading operations drove plans to make major changes. The project was large, comprehensive and complex. To start, the plans included the selection and implementation of new ERP, and WMS systems.

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Many voices strongly encouraged Patterson to keep this implementation simple and to keep the scope limited in order to obtain success. However, Paul Courchene was permitted to press for loftier goals. "Everybody tells you to keep it as simple as you can keep it. To not enhance anything. To go live as simple as you can go live, and you can build your functionality later. Well that's never how things work in a cost center. What you build is what you build. And I wanted to build something that would fulfill all of our needs from the start."

The Partners

To accomplish the goal, Patterson realized that partner selection would be crucial. EWM's system-directed tasks are what make it well-



suited for voice-directed work; however, there are very few businesses experienced in voice and SAP EWM deployment. Implementing voice directly in the SAP EWM landscape requires the right set of partners and a concentrated effort from all involved.

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Patterson first evaluated five voice providers and selected Vitech Business Group, a Premier Vocollect Voice Total Solution Provider. The Vocollect by Honeywell suite of products includes VoiceDirect ERP for SAP, a voice-directed work solution that integrates directly into the SAP landscape.



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“We liked Vitech’s demonstrated expertise in voice technology in the warehouse, the way they organized their projects, how they related their solution to our business and how they presented themselves – so they were the early frontrunner,” says Courchene, who was particularly impressed by

Vitech’s past installations. “The closer we got to the actual opportunity to do the implementation; Vitech kept rising to the occasion.”

Additionally, Patterson was fortunate to identify and select My Supply Chain Group (MSCG) for its SAP EWM integration. MSCG is an Alabama-based company with a long history of success in SAP implementations and a track record of excellent teamwork. The resulting team of Patterson, Vitech Business Group, Inc. and MSCG worked together to achieve their aggressive goals.

“To get the highest levels of efficiency and accuracy with a Warehousing and Distribution Business Transformation Program using SAP EWM, you need the right voice partner and the right EWM partner,” says Neil Patel, Managing Partner at MSCG. “These important players will help bridge the gap between everything you want to achieve and exactly how you’re going to get there.”

Keith Batt, principal at Vitech Business Group, Inc., agreed with Patel. “It’s important that the team of partners you select have the

technical expertise and experience with both platforms, and not just one or the other. That helps to remove a lot of the risk associated with implementation and dramatically lessen the related challenges.”

The Project

Patterson was confident in handling the size and complexity of the project with their team of developers and partners. In addition to a new SAP ERP with EWM, the plan included the implementation of, new distribution workflows including cartonization, installation of wireless networks to support voice-directed order selection, RF scanning for receiving and put-away, and mobile printing. All the systems needed to be implemented in a way that conveyed simplicity while enhancing efficiency. Once the scope was set, Paul’s team worked aggressively to fight scope creep while maintaining a focus on the ultimate goal.

Solutions that look simple to the user often require significantly complex business logic in the host system. This is where the value of partnerships with Vitech Business Group, Inc. and My Supply Chain group were applied most effectively. Patterson enhanced the project to

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include fifty development objects to support the modifications and enhancements described above. “Everyone told us to implement standard SAP, and then build everything else in later.” says Courchene. “But the biggest development crew I’ll ever have is during implementation, so that’s the time to put those development pieces in.”

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The implementation began in October 2013, led by the specialty distribution platform of Patterson Companies, Patterson Logistics Services, Inc. (PLSI). PLSI’s distribution network features strategically-located regional facilities and includes 17 legacy distribution centers (DCs), three of which are multi-business unit DCs that serve the entire enterprise.

“I was allowed to do some things that no one else has been allowed to do. We were the first domestic company to utilize the SAP EWM cartonization solution and we were the first domestic company to do direct connect with voice pick, and we picked a good partner to help us with that. Those were two giant successes for us.”

The Results

The entire project is delivering the anticipated results and more, especially the implementation of voice-directed work and SAP cartonization – which were originally considered somewhat risky ventures. “We had no prior experience with voice, yet it is the big win from the SAP implementation.” Claims Courchene. “It is the most productive thing we’ve put in and is giving us the quickest payback for our investment.”

Improved Productivity

Immediately after the SAP EWM and voice implementation, Patterson could see the

impact that the new technology would have on its operations. “Our order fillers are working about 25% faster than they were without the devices,” says Courchene. “In fact, on the very first time using the devices every one of our order fillers worked faster than they did with the



paper system.” In addition to increased picking speed and efficiency, the employees have also developed an affinity for the new technology. “No one wants to use the radio frequency (RF) guns,” he adds. “They all want to go hands-free and use voice.” The positive feelings about the new technology extend outside the warehouse, too. “Even Scott Anderson, our President and CEO put on a headset and took pictures of himself filling an order to put on the cover of our quarterly newsletter. That became the signature moment for our team.”

Reduced Training Time

The Patterson operations team immediately recognized the comparable ease of training employees to use the system. “Paper order filling took a full day for the employee to get the idea of what was even going on. We can get people trained in one pass through the building with voice – and it creates a much safer environment”

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Superb accuracy

Patterson’s legacy processes generated great accuracy due to four auditing and order checking processes. Voice-directed picking now requires validation at the pick and at the put in the picking process. These steps allowed Patterson

to eliminate two of the four checking processes with no loss of accuracy.

“Before, we had full on checking processes in receiving, in inventory control, in order filling, and in checking, and again in packing. I’ve eliminated more than half of those checking roles

and not had any changes in accuracy. I am as accurate as I was before with a lot less checking steps in place.”

The Future

Going forward, Courchene says Patterson would like to extend those productivity gains to other areas of the company and use voice on an even larger scale. “We want to expand voice to all of our facilities, even the smaller facilities where we didn’t think it would make sense in the beginning.” That means that voice-directed work implementations could now be expanded from the initial legacy sites to as many as 50 additional sites, including those sites that are not a part of PLSI. “As we expand our WMS and get EWM in all the sites, we will put voice in all of them.”

Patterson also wants to increase the use of voice in other workflows. “We want to have more picking transactions that are voice based. Initially, our voice picking transactions only included small order filling. We have since installed voice-directed case pick. We plan to expand that to pallet pick and overstock, for which we are now using an RF scanner. We want to have more picking transactions that are voice based.”

If all of those plans weren’t enough, the company is looking forward to the potential of more change. According to Courchene, Patterson is ready for the next opportunity. “We have something that is really successful and works really well. We are excited to get it out in the field and make it more successful and make it even bigger.”

Final Thoughts

Getting the most benefit out of voice and SAP EWM requires careful thought, a solid proof of concept, capable business partners, and a commitment to achieving the goals set forth early in the solution evaluation process. Courchene’s advice is straight forward, “Don’t be scared of going complicated; just have a clear picture of what you want to get to, pick the right partners, and be prepared to ruthlessly fight scope creep.”

When asked about final thoughts on the project, Courchene had one more thought to offer. “We were not trying to make something special. We were trying to make something productive and something we could replicate. But what came out of this was something really special.” •

At Vitech, we use our knowledge, experience and passion to achieve exceptional levels of supply chain performance for our clients. We are focused on providing our clients comprehensive solutions that solve their supply chain challenges and enable their operations to perform to their full potential. Vitech forms strategic partnerships with the industry’s leading software, hardware and service providers to deliver complete supply chain solutions. Commitment to our customers’ success ensures they achieve the best ROI in the industry.

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