



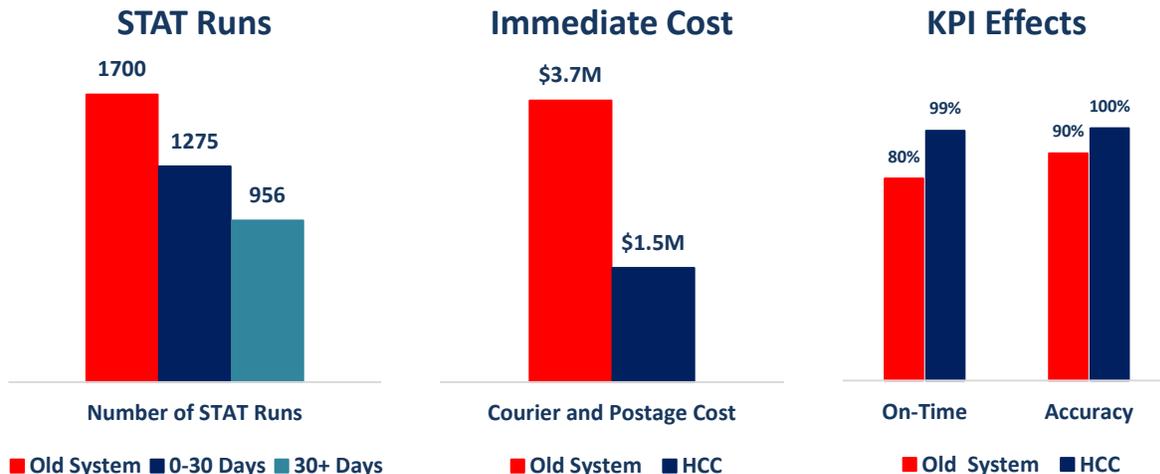
CASE STUDY: CRISIS AVERTED

OVERVIEW: A Large Midwest Hospital System acquired a failing System with 11 hospitals. At that time, they fulfilled their courier needs through a combination of full-time employees with vehicles and an outsourced vendor who was providing subpar service (inaccuracies and major delays). They needed to dramatically reduce spend, improve services, and create a scalable system. They invited Hospital Couriers Corporation to perform an analysis and design a system that fit their needs. Through collaboration, HCC established a transition plan that took place over a 60-day period during which HCC was able to absorb the duties of both the internal FTE's and the external vendor.

PROBLEM: On the fifth day of the transition, the outside vendor announced that they would not support the health system's transition schedule (to which they had previously agreed) and would terminate service at midnight three days later.

RESPONSE: HCC accelerated their transition schedule and took over full operations at midnight three days later. Service seamlessly continued and all network hospitals focused on the most important aspect of the business, strong patient-care. Our mission, philosophies, and values were tested but we proved our depth of quality and commitment.

RESULTS: After the first year of our service being in place, we reviewed the hard dollar savings from our logistical designs, mailroom operations and efficiency measures. The system experienced a **25% reduction in STAT runs**, **\$2.1M in immediate cost savings**, **\$6.0M in long-term savings** and **an increase in both on-time delivery and correct recipient delivery to 100%**.



ADDITIONAL BENEFITS: HCC was instrumental in layering onto our shuttle system a Central Print Shop Operation HCC would stop on each run at the Print Shop, pick up all completed orders and deliver on our existing shuttle system. This saved the System over \$2.0 million in annual printing costs with no additional transportation costs. **The health system estimated the long-term benefits of switching to Hospital Couriers Corporation at \$2.0M per year for the print shop, \$2.5M for the central MR and \$1.5M per year for the central pharmaceutical delivery.**