

# McKESSON

The Perfect Prescription

Case Study





IntelliSort®

## The Perfect Prescription

### Pharmaceutical Wholesaler Upgrades Its Distribution Center

*Please note: “Honeywell Intelligrated” within this case study refers to Intelligrated, which Honeywell acquired in 2016.*

**MCKESSON**  
Empowering Healthcare

When you think about hospitals, the emergency ward is the mission critical point. But for pharmaceutical companies, the distribution center is the most critical point. McKesson, the world’s largest pharmaceutical wholesaler, was concerned about serving the needs of the growing population out of their existing distribution facility in Florida. The perfect prescription was the design of the new Lakeland, Fla., facility. The goal was to ship rapidly, accurately and economically, and the facility is exceeding expectations. Florida’s population is growing at a rapid rate, and many of its residents are senior citizens, who take an average of seven medications per day. McKesson ships prescription medicines, over-the-counter drugs, and health and beauty aids for hospitals, drug stores and retail chains. The new Lakeland, Fla., system needed to be designed for maximum throughput and provide flexibility for growth to address the growing population.

The facility is unique and not just a run-of-the-mill design. In addition to having the normal full case, piece picking and full pallet requirements, the McKesson facility also has drugs that need to be refrigerated, security drugs that need to be in a locked cage, and secure items required by the FDA to be in a vault. When order picking in the facility's various pick areas is complete, all the pieces of a specific order must converge. This was accomplished with a Honeywell Intelligrated® automated material handling system. The orders are combined at the shipping dock where the labels are scanned and orders are consolidated.

The McKesson facility operates six days a week because most of the company's customers do not store much inventory and use this new Lakeland facility as their warehouse storage system. With more than 45,000 stock keeping units stored in this 225,000-square-foot distribution center, McKesson operates with a lean staff.

"It was important that the design flowed in a way to get maximum throughput but still give the employees great productivity enhancements," said Craig Stewart of FCP Integrated Systems, the system integrator for McKesson.

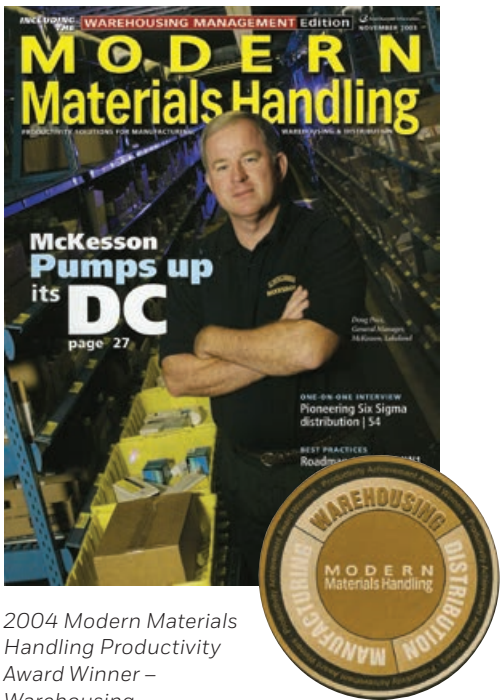
### **ROI Achieved Faster Than Expected!**

McKesson's Lakeland system features Honeywell Intelligrated's motorized driven roller (MDR) conveyor. The MDR conveyor only runs when product is present, reducing power requirements. The energy efficiency, along with other benefits already expected, allowed McKesson to receive a six-month return on investment.

*MDR belted incline*



“The McKesson team was very concerned about customer satisfaction, speed, accuracy and throughput, which were all must requirements. Honeywell Intelligrated worked with us to help design a solution that will serve McKesson well into the future,” said Craig Stewart, President, FCP.



2004 Modern Materials Handling Productivity Award Winner – Warehousing

“The sorter is so quiet that I can stand next to it and still have a cell phone conversation.”

—Doug Pace, General Manager, McKesson, Lakeland, Fla.

## Components of the System

Picking occurs at several different places in the warehouse. When an order is received, a notification is sent via a wireless terminal to order pickers in a two-level pick module for over-the-counter and health and beauty aids. The system uses a pick-and-pass order picking methodology, with conveyors transporting totes from zone to zone to increase picking efficiency.

Verification stations digitally record the contents of each outgoing carton to check for picking accuracy. Once the orders are complete and verified, the totes are then put on an IntelliSort® sliding shoe sorter which has been designed to conserve energy and lower noise levels within the distribution center. The totes are then sorted to one of 10 shipping docks.

Replenishment of the carton flow rack was designed by FCP to include a conveyor so that the product is delivered to the stocker, reducing both walk and touch times. The stocker has a specially designed stepladder that arches over the conveyor to reach the top of the rack to replenish.

The MDR conveyor, the most energy-efficient conveyor in the industry, saved McKesson the cost of 147 drive motors and is easy to maintain. MDR also decreased AC unit requirements between 30 and 70 percent, depending on volumes. When the facility is at full capacity and speed, this is a huge savings for McKesson.

## Partners in Success

The system integrator, FCP Integrated Systems ([www.fcpi.com](http://www.fcpi.com)), worked with McKesson to design a system that would enhance their throughput and give them flexibility and the ability to respond quickly.

**Honeywell Intelligrated**

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