



APRIA HEALTHCARE®

## Apria and Ryder

*Faster, Smarter, Better, Together.*

### CHALLENGE

Suppliers were making hundreds of direct shipments to Apria distribution centers annually

Less than 5% of shipments were moving on truckload pricing, including an overuse of expedited freight

Week-to-week order/delivery volumes varied greatly; dedicated routes were running 50% empty on backhaul lanes

### SOLUTION

Ryder Dedicated Transportation Solutions provides tailored solutions engineered uniquely for each customer. Through route engineering, all lanes are optimized offering a cost savings to the customer. Ryder's ability to be flexible during the peaks and valleys of demand makes sure customers are maximizing their productivity and profitability.

### RESULTS

#### Optimized

*Ryder Dedicated transportation management and route optimization improved efficiency*

*Backhaul lanes were re-engineered greatly, reducing empty miles*

#### Cost Savings

*Supply chain re-design translates to annual cost savings of more than \$1 million for Apria*

*Additional fuel savings through Ryder's OPIS system*

#### Sustainability

*Route optimization led to a reduced carbon footprint*

#### Customer Focus

*Cost savings and route engineering has led to an increase in positive patient outcomes*

*Apria Healthcare is one of America's leading providers of home respiratory services and medical equipment. Its services include oxygen therapy, inhalation therapy, sleep apnea treatment, and negative pressure wound therapy. Apria employs more than 8,000 people in the U.S., cares for approximately 1.8 million patients and generates an annual revenue of more than \$1 billion.*



Apria's distribution network includes seven distribution centers (DCs), a Bio-Med center and more than 350 branch locations.

In October 2012, Apria contracted Ryder to provide dry-van truckload transportation services for products moving from its DCs and cross-dock to its branch locations. Integral to this mission is Ryder's management of unattended deliveries, hazardous materials compliance, product segregations, and vendor back hauls.

The partnership began with Ryder performing an analysis of Apria's inbound supplier to DC channel to identify cost savings opportunities.

Ryder and Apria worked together to reengineer its network, delivering optimization and supplier backhaul opportunities. Significant cost savings were identified and operational improvements were implemented for Apria and its suppliers.

Ryder's dedicated fleet for Apria includes 23 tractors, 34 trailers and 29 drivers. Ryder handles approximately 325 shipments - 90 truckloads per week. Along with the transportation management, Ryder's supply chain solution has offered a wide range of services to Apria.

Through the reengineering of Apria's supply chain, the majority of inbound shipments have been consolidated into full truckload – more than 75% of which moved at truckload rates. Supplier shipments have been reduced to one to two times per week to DCs. Expedited freight shipments have been reduced and the network has been fully optimized by filling Ryder's backhaul lanes with inbound shipments from suppliers to DCs.

Inefficient delivery systems and processes have been a contributor to the rising healthcare industry costs. The State of the Healthcare Logistics Cost and Quality Improvement Opportunities report by the University of Arkansas states, "a significant cost driver is the universal complexity of the healthcare supply chain."

With the collaboration between Apria and Ryder, Apria's supply chain has become more efficient through process improvement and transportation optimization. The collaborative redesign of its supply chain gives Apria more than \$1 million in annual cost savings.

Apria is also prepared for the growth potential of the home healthcare industry, and their partnership with Ryder helps give them a solid transportation footprint as their business grows.