

Compass Waste Services / CargoWare

# Eliminating the duplication

Compass Waste Services was established in 1998 to supply healthcare products and provide professional healthcare risk waste management services to the healthcare community. The realisation that certain inefficiencies were damaging the company was seen as a wake-up call.



Compass Waste Services grew steadily from inception, and turnover rose 238 percent in the period 2007 to 2013. Compass has a customer base of approximately 7 500 clients to service with collecting high-risk medical waste as well as deliver re-usable and consumable waste containers and bags at medical facilities, hospitals and clinics. The head office resides in Durban with regional offices in East London (Eastern Cape); Bloemfontein (Free State) and Springs (Gauteng).

These clients are serviced with a fleet of approximately 70 specialised vehicles designed to carry high-risk medical waste as well as containers and bags of various sizes and configurations.

Compass uses unique environmentally friendly autoclave machines for the sterilization of medical waste and the safe disposing thereof. The combination of control system and steam control equipment are specified and tested to give high-level system performance, control and data logging.

## The problems

However, all was not well, and the problems manifested themselves in many ways.

The business departments operated with a typical 'silo' mentality where the various units worked in isolation with plenty of enthusiasm and drive but without cohesion and common goals, resulting in

massive amounts of duplication and double effort to achieve the same end result.

Problems continually arose in trying to consolidate information for reporting purposes and compiling an overall view of the business performance. The company required an integrated solution between financial systems, scanning systems and route optimisation systems to eliminate labour intensive and error-prone manual operations.

Centralised decision making and information systems made the organisation less responsive to customer needs and it was realised this had to be decentralised to reduce and even eliminate customer discontent.

The systems deployed in the business did not provide for enough flexibility and functionality resulting in a number of independent self-designed manual and computer systems being used in different departments. This caused endless problems trying to consolidate information in terms of reporting and compiling an overall, transparent, view of the business performance.

Communication between finance, sales, warehousing and logistics was inadequate and disjointed resulting in poor customer service levels and finger pointing as to who was at fault when things went wrong.

The systems needed to have a relational interface with one single source of update. The logistics division needed a system to improve the manual route planning and scheduling on Excel and reduce the workload so

better analysis could be done to improve day-to-day issues.

Costs were out of control and needed to be urgently reduced. The company had to avoid throwing additional heads at the problem as a solution and to rather find long-term sustainable solutions.

## Solutions

Recognition of these problems was really the wake-up call. A thorough examination of the company's operations and the resultant problems led to a plan of action.

To cater for different functionality between the systems, user-defined fields and interfaces had to be created to pull and push data from one system to another. Centralised decision making and information systems made the organisation less responsive to customer needs and Compass realised this had to be decentralised to enhance customer focus.

It was decided that a programme of solutions would have to be implemented:

SAP Business 1 was chosen as the primary accounting system but would also provide for enough functionality and user-defined options to cater for a host of additional fields stored and updated for use in the other operational systems for sales, logistics and warehousing.

The logistics solution selected was the DPS PlanLogiX system supported by CargoWare. The challenge was to find a system that would not only allow for the planning of product delivery via warehousing but also the collection of medical waste from all the hospitals and clinics serviced.

The tracking and scanning solution was provided by Reutech to streamline and assist in the control and management of inventory in the warehouse but also to assist in the picking process as well as the loading sequence of vehicles.

The introduction of a sophisticated, integrated IT solution across the enterprise has led to far greater performance and reduced cost. The sophisticated integration technology allows all these systems to 'talk to each other' seamlessly in one central SQL database.

## Results

Improvements in performance have been achieved over and above an increase in turnover of nearly 40 percent during the project phases, which indicates that the actual performance is significantly higher than the figures indicate.

At the end of the first year since the integrated solution was fully deployed Compass achieved significant results:

**Personnel** – the number of people in the business has been reduced by 5 percent

**Fleet Size** – despite the increase in work load due to



the business expansion the fleet size was reduced by 12,7 percent

**Total Distance** – even though additional business was generated and new customers came on line, the total annual distance covered by the reduced fleet came down by 10,9 percent due to efficient route planning and scheduling

**Customer Service** – Massive improvement of 46 percent was achieved in the on-time-in-full (OTIF) performance

**Capacity Utilisation** – the tonnage capacity utilisation of the fleet increased by 133 percent.

A number of intangible benefits have also been achieved:

**Internal controls** – a significant improvement due to managers being able to measure performance against a plan.

**Performance reporting** – the reporting procedures implemented allowed Compass to draw significant KPI reporting that forms part of the performance appraisal process.

**Productivity** – this is always a difficult item to measure but people simply perform better once they know exactly what is expected of them.

## The Way Forward

The integrated solution provides Compass with the scalability to enable the expansion of the business without having to employ additional people to match the volume growth. This gives Compass the confidence to expand into larger markets without having to fear the lack of capacity.

Although Compass is relatively well represented in KwaZulu-Natal, Eastern Cape, Free State and Gauteng, major opportunities exist to expand into the Western Cape as well as other SADC countries. New conclave installations are planned for Gauteng in the short term, making Compass a dominant player in this highly specialised field. •