LEVERAGE
SUPPLY CHAIN GROUP



Case Study

Healthcare 3PL Operations Overhaul: From Errors to Excellence

Client Overview

A multi-site 3PL provider with a Memphis campus serving medical-device and pharma manufacturers faced escalating service issues and operational instability caused by leadership turnover, over-reliance on temporary labor, and fragmented processes.

The Challenge

Order accuracy below contractual KPIs, leading to high returns and complaints

Manual inbound/outbound workflows with inconsistent labeling and staging

Inventory-control breakdowns, missed cycle counts and unsegregated hold stock

50% temporary-labor dependency and limited role-specific training

Expired customer contracts and undocumented scope changes creating revenue risk

Underutilized technology due to weak SOPs and labeling standards

Project Objectives

- Restore service reliability and customer trust
- Reduce rework, material waste, and temp-labor dependency
- Build stable leadership and workforce training programs
- Strengthen inventory discipline and outbound quality control
- Capture missed revenue and enforce contractual performance standards

Our Role

Leverage Supply Chain Group provided fractional executive leadership, VP of Operations and hands-on consulting through an operator-led diagnostic and structured PMO model:

- On-site assessments and daily operational observation
- Agreement, P&L, and KPI reviews
- Leadership evaluation, hiring support, and team training
- Weekly cadence of cross-functional reviews with site and HQ leaders

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The Solution

Leadership & Ways of Working

- Installed interim leadership, strengthened oversight, and introduced structured daily huddles, KPI visibility, and weekly planning cadence.

Workforce Optimization & Training

- Transitioned to an 80/20 permanent-to-temp mix, implemented a Train-the-Trainer model, and reassigned temps away from inventory and WMS roles.

Inventory & Outbound Excellence

- Standardized inventory control, implemented aisle ownership and daily audits, and improved outbound accuracy through color-coded staging and pallet-level visibility.

Technology & Process Control

- Enhanced packaging and labeling SOPs, integrated technology for real-time product verification, and upgraded WMS functions for accuracy and traceability

Commercial & Contract Alignment

- Developed account-level KPI dashboards, introduced a billing tracker, and restructured contracts for improved profitability and accountability.

RESULTS

Order Accuracy: Surpassed contractual KPI within 90 days

Customer Complaints: Backlogs cleared; service reliability restored

Inventory Accuracy: Exceeded KPI; reduced adjustments significantly

Labor & Cost Savings: 50 % reduction in rework labor; eliminated $10 K / yr in material waste

Revenue Capture: Added billable items and reinstated cost controls; reduced churn risk

Culture & Continuity: Established engaged leadership and a sustainable operational rhythm

THE LEVERAGE DIFFERENCE

At Leverage, we bring Fortune 50 operational experience to 3PLs and healthcare logistics providers—combining diagnostic precision with hands-on leadership to drive measurable improvements in performance, profitability, and customer trust.