



A NATIONAL MEDICAL SUPPLY DISTRIBUTOR GENERATED \$2.4 MILLION IN ANNUALIZED SAVINGS BY REBUILDING THE MANAGEMENT SYSTEMS BEHIND ONE OF ITS LARGEST DISTRIBUTION CENTERS

EXECUTIVE BRIEF

One of the largest distribution centers inside a national medical supply distribution network had the scale, workforce, and infrastructure to meet demand, but lacked the management discipline required to consistently execute. Supervisors spent more than half their time on administrative work, performance data arrived too late to manage the day, and overtime had become a costly substitute for operational control. POWERS rebuilt the management operating system around real-time visibility, structured supervisor routines, and accountability at every level, reducing overtime 47%, cutting labor costs 9%, and generating more than \$2.4 million in annualized savings.

THE SITUATION

As one of the nation's leading medical supply distributors, the company operated in an environment where reliability was not optional. Hospitals, healthcare providers, and medical facilities depended on the business to deliver products quickly, accurately, and consistently. Maintaining those service levels required a distribution network capable of performing under constant pressure while controlling costs and adapting to changing demand.

One of the company's largest distribution centers had become increasingly important to that mission. The facility possessed the workforce, equipment, and physical capacity required to support the business, but leadership recognized that operational performance was not keeping pace with the scale of the operation. Despite a strong safety record and a reputation as a critical hub within the network, the facility consistently missed key performance targets tied to cost, productivity, and people management.

The operation had grown substantially over the years, but the management systems supporting it had not evolved at the same rate. Supervisors managed their teams differently from one department to the next. Performance reviews occurred inconsistently. Reporting had multiplied across the organization, yet confidence in the data had steadily declined. Employees often questioned the accuracy of the information they received, leaving managers with little ability to align the organization around a common understanding of performance.

PERFORMANCE RESULTS



THE SITUATION (CONT.)

The consequences became visible across the operation. Overtime costs continued climbing. Supervisors spent most of their time buried in administrative responsibilities instead of leading people. Productivity opportunities were missed because performance issues could not be identified until a day or two after they occurred. Leadership understood that the operation had the resources required to perform. What it lacked was the operating discipline necessary to consistently convert those resources into results.



THE DIAGNOSIS

Growth had outpaced the management systems supporting it.

A Reporting Culture Without Operational Visibility

Over time, the organization had developed an increasingly complex collection of reports spread across multiple systems. While information was abundant, confidence in the information was not. Employees questioned where the data originated and whether it accurately reflected operational reality. The result was a culture where reporting existed, but visibility did not. Decisions were often delayed because leaders lacked a trusted source of truth.

Supervisors Buried In Administration Instead Of Leadership

A supervisor activity study revealed that frontline leaders spent approximately 54 percent of their time on administrative tasks while dedicating only a small portion of their day to coaching, engagement, and active floor leadership. The people responsible for driving performance had become disconnected from the work itself, limiting accountability and reducing their ability to address problems before they impacted results.

Performance Data Arriving Too Late To Matter

Operational metrics were delayed by as much as 24 to 48 hours. By the time supervisors saw a performance issue, the opportunity to influence it had already passed. Leaders were effectively managing yesterday's operation instead of today's, creating a reactive environment where corrective action always lagged behind the problem.

Overtime Operating Without Meaningful Control

Overtime had gradually become a normal part of operating the facility. Employees worked inconsistent schedules, hours were not actively managed, and additional labor costs accumulated without a process for evaluating necessity or effectiveness. The operation had developed a costly workaround for performance challenges rather than addressing the root causes creating them.

Leadership Routines That Varied By Supervisor

Without standard expectations, each supervisor managed differently. Shift management, performance reviews, communication practices, and follow-up routines varied across departments. This inconsistency created uneven performance and made it difficult for leadership to establish accountability across the facility.

Meetings That Consumed Time Without Creating Action

Team meetings lacked structure, clear agendas, and meaningful follow-up. Discussions occurred, but actions rarely carried forward into the operation. Time was being invested without producing the alignment and accountability necessary to improve performance.

WHAT POWERS DID

POWERS installed the management operating system the distribution center had grown beyond.

Working alongside facility leadership, the POWERS team began by creating structure around communication and performance management. Daily startup meetings, weekly reviews, and standardized leadership routines established clear expectations throughout the operation. Supervisors gained a consistent framework for managing shifts, communicating priorities, and addressing performance issues before they escalated.

Performance visibility was rebuilt from the ground up. Real-time key performance indicators replaced delayed reporting, giving supervisors immediate insight into productivity and operational results. Weekly reporting consolidated critical measures across safety, quality, delivery, cost, and people management into a format leadership could trust and act upon. The focus shifted from generating reports to managing performance.

Accountability systems were introduced throughout the organization. Supervisors participated in weekly performance reviews where results, corrective actions, and follow-up commitments were openly discussed. The new routines established ownership for outcomes and created a process for addressing performance gaps before they became recurring problems.

At the same time, frontline leadership capability was strengthened through coaching and development. Supervisors were trained to spend more time leading people and less time managing paperwork. Expectations around coaching, employee engagement, and floor presence were clarified and reinforced through structured routines that connected leadership behavior directly to operational performance.

Labor management was addressed through tighter scheduling controls and overtime oversight. New authorization requirements and improved schedule alignment reduced unnecessary labor expense while ensuring resources remained available where and when they were needed. The operation gained greater control over labor utilization without sacrificing service performance.



THE FULL RESULT

The facility generated measurable improvements in cost, productivity, and operational control while strengthening the management systems required to sustain them.

\$2.4 Million In Annualized Savings

Improved labor management, stronger operational controls, and increased accountability combined to generate more than \$2.4 million in annualized savings. The gains were not driven by a single initiative but by a system of improvements working together across the operation.

47% Reduction In Overtime

Within thirteen weeks, overtime was reduced by nearly half. Better scheduling discipline, stronger oversight, and clearer accountability replaced a pattern where overtime had become a routine response to operational challenges.

9% Reduction In Labor Costs

By actively managing hourly performance and controlling labor utilization, the facility reduced labor costs as a percentage of sales by 9 percent. The improvement reflected stronger operational execution rather than workforce reductions.

3% Productivity Gain Per Labor Hour

Lines processed per paid labor hour increased as supervisors became more engaged in day-to-day operations and performance issues were identified in real time rather than days later. The gain demonstrated the impact leadership visibility and accountability can have on operational performance.

A Stronger Operating System For Future Growth

The most significant result extended beyond any individual metric. The facility developed the management structure, leadership routines, and operational visibility required to support continued growth and increasing complexity. The operation already possessed the scale to succeed. By strengthening its ability to execute consistently, leadership unlocked more value from the resources already in place.