

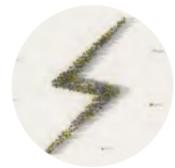


A customer first approach to healthcare supply chain resilience

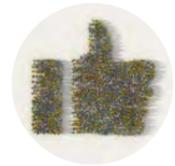
How healthcare can learn from insights into
the UK's best-loved retailers' supply chains

Wincanton

CONTENTS



02. Resilience in the face of change: foreword



06. Customer first



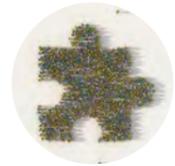
10. Next generation collaboration



17. Supply chains need people



20. A smooth transition to sustainability



22. Conclusion



RESILIENCE IN THE FACE OF CHANGE

Resilience in the face of change: foreword

The year 2020 will be remembered as the year the world was awakened to the importance of supply chains. In particular, the value of building greater resilience into healthcare supply chains has become sharply significant in the light of recent and ongoing global and local events – the political change of the EU exit; conflict in Ukraine; and – of course - the Covid-19 pandemic.

While we know that supply chains can be highly efficient and effective, we've learned that they can also be fragile and lack the extra resources needed

during disruption. The traditional approach to managing supply chains has often fallen short and left many organisations struggling to cope with the evolving service needs of the end-customer or patient.

Healthcare organisations that are well prepared to face the unpredictable can improve patient outcomes and increase efficiencies. By shining a light on any vulnerabilities in their end-to-end supply chain (from manufacturer to patient) and looking at issues they have encountered, organisations and businesses can make informed decisions and target their people, process and technology decisions accordingly.



Learning from retail

Resilient supply chains don't just 'move goods'. Resilient supply chains understand customer value, drive innovation, build a workforce for the future, collaborate with other industries, and consider safety, environmental and social needs.

There are many synergies between retail and healthcare that provide interesting learnings for healthcare professionals looking to future-proof their supply chains. Like retailers who have a broad and complex product offer, healthcare organisations deal with a high degree of complexity of providing care to patients with the need for millions of product lines, devices, and medicines. They deliver to thousands of locations and consolidate orders from hundreds of suppliers, just like a retailer. Additionally, like retail consumers, healthcare patients' needs fluctuate and evolve. Therefore, for both retailers and healthcare organisations, it is a challenge to accurately predict demand. While both consumers and patients expect personal and time critical service, with healthcare the stakes are much higher – the health outcomes of our citizens.

This paper provides healthcare professionals with valuable learnings from top UK retailers who provide the highest standard of customer care and have achieved hard-won customer loyalty and satisfaction.



Wincanton's unique insights

We asked over 250 senior leaders in UK retail how resilient they thought their supply chains were, what their vulnerabilities have been, and where they see the benefits of instilling further supply chain resilience in the future.

The findings shared throughout this paper offer a unique understanding of the experiences of British businesses and the state of supply chain resilience in the UK, offer fascinating learnings for the healthcare market.

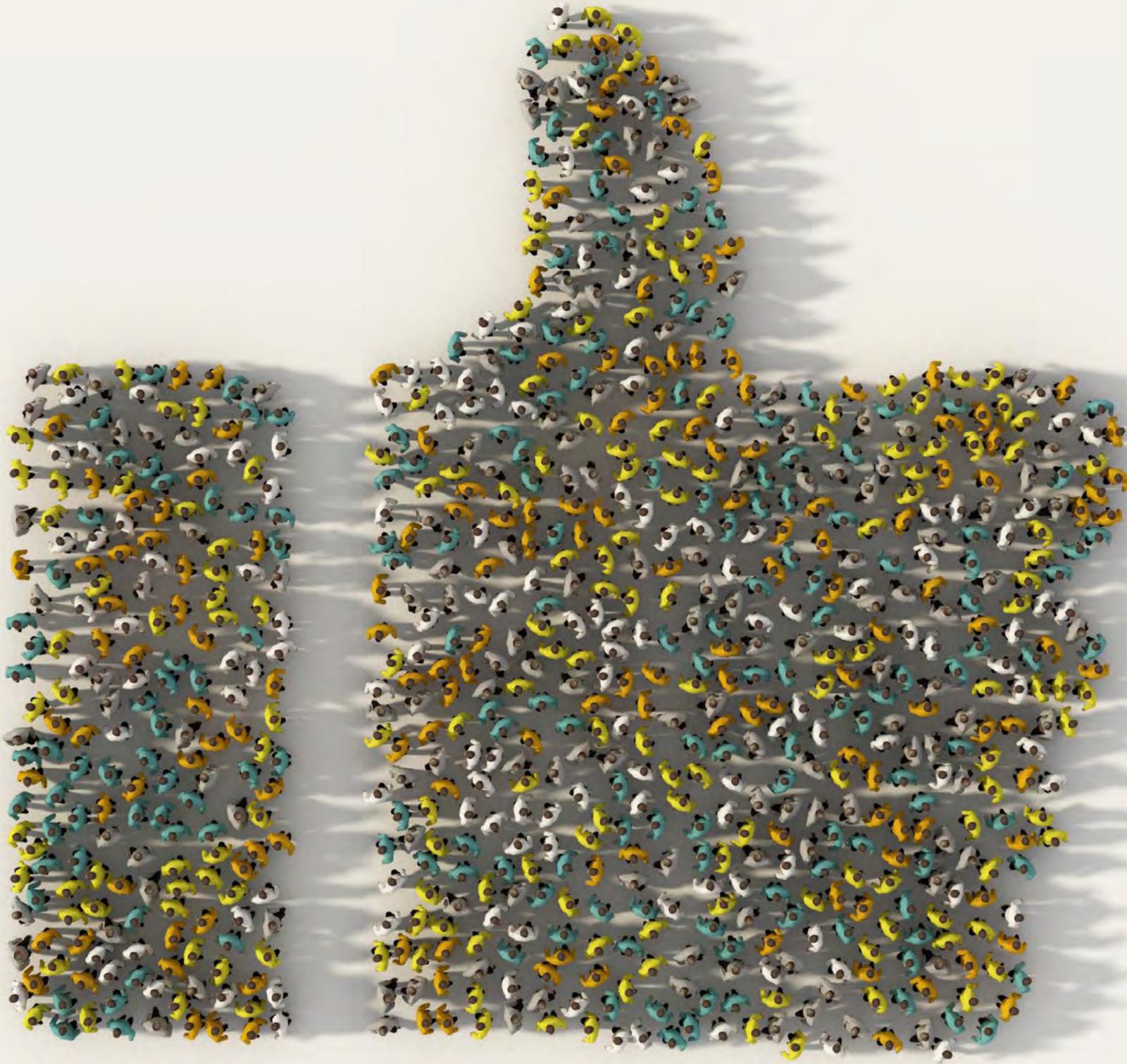
Wincanton's survey* of top UK retail business leaders provides a temperature check of supply chain resilience in the UK.

*The research was conducted by Censuswide, with 250 Senior Management and above in the retail sector. The fieldwork took place in UK between 22.06.2022 - 28.06.2022. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.

The survey shows that retailers recognise that resilience is critical to the success of their supply chain. However, most acknowledge that there is no room for complacency, and expressed a desire to further improve their supply chain resilience.

99% of retail leaders believe improving supply chain resilience is 'essential' to growth.

85% of retail leaders in the UK believe they can build more resilience in their supply chains.



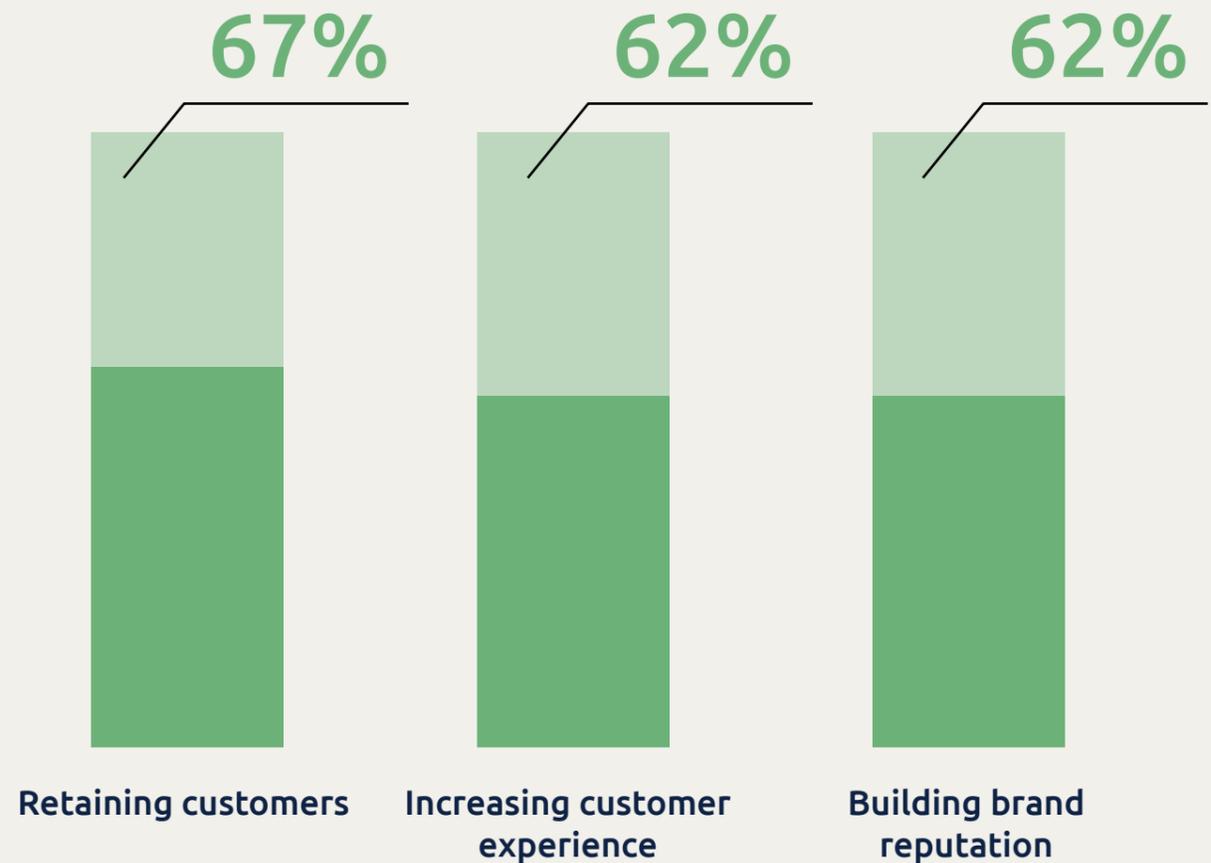
CUSTOMER FIRST

Customer first

The UK's best-loved retail brands recognise that improving supply chain resilience will help them deliver excellent customer care.

Supply management is the lifeblood of their work because success or failure is based on the performance of their supply chain. Grocers, big box retailers and omnichannel brands are just a few good examples of megalithic supply chains that work relentlessly to move a product from manufacturer to a customer's hands. A temperature check of how retailers rank the benefits of supply chain resilience provides transferrable insights for healthcare organisations.

Our survey showed that retailers selected improved customer satisfaction as the greatest benefits of supply chain resilience.



Delivering outstanding customer service is key to success for Waitrose & Partners

Working as a collaborative partner to Waitrose & Partners for over 20 years, Wincanton has maintained a consistent approach which places customer experience at the heart of success. In 2021 Wincanton began operations at its Greenford, London based Customer Fulfilment Centre (CFC) for Waitrose, delivering customer orders to homes across London and successfully executing the CFC's first Christmas peak. For Waitrose customers who benefit from the convenience of grocery home delivery, the experience on the doorstep is especially important. The delivery driver is a customer service ambassador, and they need to portray the Waitrose values.

"The success of Greenford is testament to our great, collaborative relationship with Wincanton, their commitment to high customer service standards and investing in innovation."

Andy Kirby, Partner and Regional Manager – Waitrose & Partners



Transforming productivity and accuracy for Neal's Yard Remedies

Wincanton works in partnership with organic health and beauty company Neal's Yard Remedies to provide fulfilment services, achieving a more efficient nationwide service for the retailer's network of stores, wholesale and retail partners. Wincanton's unique solution pairs autonomous mobile robotics (robots) with colleagues using wearable technology. It is fully integrated with order processing and inventory management, providing flexibility and scale during periods of increased demand. Digitising and automating the high-volume eFulfilment operation for Neal's Yard Remedies has resulted in considerable increases in productivity.

"The robots have had a positive impact on pick accuracy, ability to flex to fluctuating sales volumes, stock accuracy... that reduces the number of queries from our customer care team to the warehouse."

Donna Toye, Operations Account Manager – Neal's Yard Remedies



Visibility and communication

Resilience means knowing where your product is, and how long it will take to get to you, so you can provide excellent customer communication, ensure efficiency and reduce waste. Visibility enables potential supply disruptions to be identified as early as possible and issue early warning of any disruption - a crucial part of a robust supply chain fit to support evolving service needs.

Retailers with complex supply chains agree that greater visibility of their supply chain means stronger resilience.

99%



of retail leaders believe improved supply chain visibility would support their overall goals.

EDF: Visibility for complex supply chains

It's not just retail that provides valuable learning for the healthcare sector. The complexities and scale of the UK's megaprojects share similar visibility challenges to healthcare organisations.

Wincanton is EDF Energy's official warehouse and transport service partner for the ten-year construction of Hinkley Point C nuclear power station in Somerset, UK. With such a vast, complex supply chain and unparalleled security and safety requirements, Wincanton plays a pivotal role in providing total, real-time visibility of materials and co-ordination of international suppliers, significantly increasing project delivery reliability, optimising working capital and reducing waste.

"Wincanton is a trusted, long-term partner supporting our vast and complex logistics needs. Throughout the construction of Hinkley Point C Wincanton has proved itself to be a supplier with expertise, experience and the ability to adapt to the changing needs of the project. It has also innovated every step of the way with industry-leading technologies that improve supply chain visibility, manage stock availability and monitor compliance to minimise our impact on the local communities."

Rob Evans, Integration Manager, Site Operations, Hinkley Point C, EDF Energy





NEXT
GENERATION
COLLABORATION

Next generation collaboration

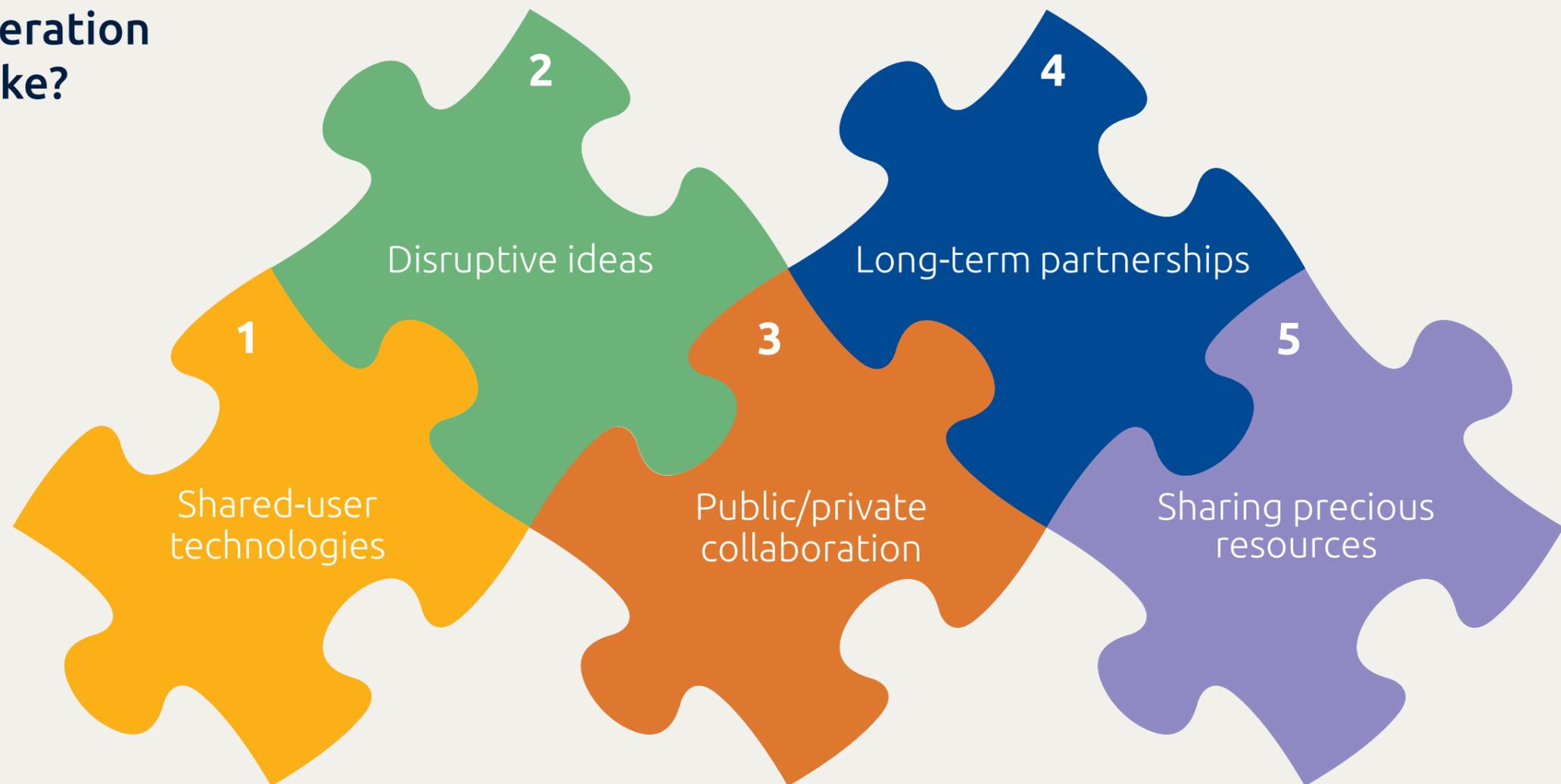
Increasing resilience across the nation's supply chains also means challenging conventional ways of working and developing new ways to meet our customers' needs, safely and effectively, and take our commitment to people and planet seriously.

This requires next generation thinking.

Next generation thinking isn't just about clever technology. Many healthcare organisations are realising that they cannot fulfil their mission without greater collaboration across industries and disciplines. If we are to truly understand the challenges we face and share skills, expertise and resources to find solutions, we need to collaborate for the greater good.

Like healthcare, retail relies on innovation and collaboration to remain agile in the face of fluctuating and intensifying pressures, to keep their customer proposition cutting edge and competitive.

What does next generation collaboration look like?



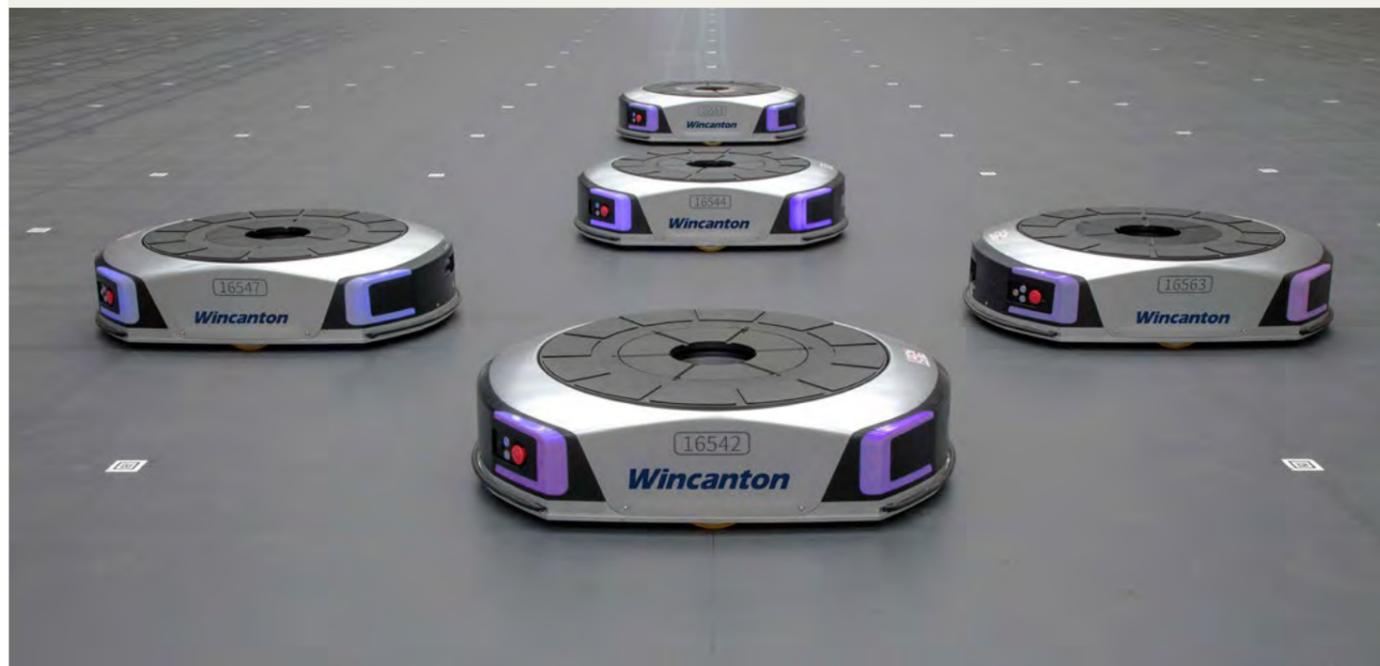
1. Shared-user technologies

Shared-user facilities mean every organisation has the chance to benefit from this state-of-the-art technology, to ensure they are efficient, agile, and resilient.

Robotic technology: people and technology in perfect harmony

Automation solutions and robotic technologies are invaluable tools which optimise supply chains, ensuring they are efficient, 24/7, agile, and resilient. For retailers, they provide greater flexibility in their service for customers, enabling them to better manage fluctuating product volumes and peaks. These benefits are easily applied to healthcare organisations to drive improved performance, particularly during busy periods, and streamlining processes across the supply chain.

Wincanton's new robots are in operation at its shared-user eCommerce facility in Northamptonshire, meaning that many of Wincanton's customers benefit from the multi-million pound investment in state-of-the-art technology to provide the most agile, efficient, accurate and consistent customer service, while reducing costs and waste.



"Once seen as a threat to employment prospects, the application of automation and robotics is now an essential asset that supports a skilled workforce throughout the supply chain."

Ian Keilty, Chief Operating Officer at Wincanton

2. Disruptive ideas

We need to solve the supply chain problems of the future before they happen. This means proactively welcoming disruptive ideas and applying them to real life operations.

W2 Labs: Collaboration to drive innovation

W² Labs is Wincanton's collaborative approach to harnessing the benefits of innovation.

Wincanton's W² Labs programme is open to early-stage businesses and digital disruptors. Entrants pitch ideas and products that can bring efficiencies across Wincanton and its customers' supply chains. The programme is designed to accelerate innovation, and discover emerging ideas to tackle some of the industry's toughest challenges. Start-up innovators pitch their forward-looking technologies and solutions at our W² Innovation Centre, Wincanton's Northamptonshire-based facility designed to shape the supply chains of the future through collaboration and innovation.

Selected from applications from international early-stage businesses, this year's final cohort is made up of five start-ups in three categories: digital fulfilment, ESG, and technology and robotics.

The innovations are currently being trialled across Wincanton retail customer operations:

- Interactive mapping editor and algorithms to optimise picking operations in warehouses, increasing efficiency by up to 20%.
- Smart pick and place robots to eliminate labour intensive tasks in warehouses, reducing cost per pick.
- Creating functional products out of waste plastics, cutting out up to 98% of the CO₂ of conventional supply chains.
- Robotic technology that autonomously loads and unloads stock, increasing safety and productivity while reducing product damage.
- A robotics fulfilment solution for managing storage, picking, sorting and shipping, reducing operating costs by 40-60%.



3. Public and private collaboration

The advantages of private and public sector collaboration are well understood. The commercial experience and acumen of the private sector can create better value for the taxpayer by increasing the quality, the efficiency and the competitiveness of public services. As Wincanton operates across such a wide breadth of sectors and markets (retail, public sector, industrial), this is powerful collaboration at its best.

DHSC and Asda: Close collaboration for rapid response

By collaborating with long-standing partner Asda, utilising the latest digital fulfilment technologies, and building on our long track record of running complex supply chains for our customers across the country, Wincanton created a supply chain to store 324 million Covid-19 mass testing kits and delivered up to 22 million kits per week for the UK Government in just 20 days.

By partnering with Asda, a valued customer, Wincanton proved the operational benefits that can be delivered through close collaboration. To deliver the Covid-19 testing kit supply chain for the UK Government, the two repurposed part of a Wincanton-operated distribution centre. This made use of existing infrastructure and excess capacity at the site.

Wincanton's rapid services to the Government are underpinned by its digital fulfilment capabilities, including its carrier management services, which ensure the most efficient route to market. A complementary warehouse management system was introduced alongside existing solutions at Asda. Wincanton also implemented temperature monitoring on site in line with the requirements of the product and a full radio frequency network was delivered at pace to support the entirety of the operation.



4. Long-term strategic partnerships

Collaboration is not just for the short term. A true supply chain partner helps to drive the strategic vision of the organisation.

Long-term collaboration for quality, innovation and assurance

Wincanton has a 25-year pedigree in providing supply chain solutions for one of the world's largest healthcare brands, ensuring customers and patients which depend on its products benefit from the best possible outcomes. Millions of specialist products are distributed to most of the UK's largest opticians, hospitals, private clinics and veterinary practices every year, with an average 'on-time in-full' (OTIF) service level of more than 99%.

At the heart of the operation is Wincanton's shared-user warehouse management system. This flexible application provides core functionality including inventory management, item tracking and performance reporting and is fully integrated with the customers' enterprise resource planning system ensuring a seamless flow of information.

The healthcare brand benefits from full supply chain visibility, including courier tracking and stock reconciliation while precision picking of surgical devices ensures a 100% picking accuracy. Wincanton has also, through its supplier network, provided packaging solutions which reduce cost, maintain product conformity and reduce space and waste.



5. Sharing precious resources

The impact of the pandemic saw many consumers turn to online shopping to fulfil their needs. The result was that more companies required a place to store goods for distribution. Additionally, the dual impact of Covid-19 and the UK's EU exit has highlighted the economic necessity of a skilled supply chain workforce. The answer to both these challenges is collaboration.

76% of retailers surveyed believe a shortage of labour in the supply chain has negatively affected their ability to serve their customers.

Wincanton's People Campus: Building resilient supply chains requires access to an exceptional pool of labour.

Wincanton's People Campus is a collaborative people-focused solution which shares sought-after people and skills to ensure we meet the supply chain needs of the nation. The concept challenges legacy ways of working in supply chain, by providing part-time and flexible work opportunities across sites in close geographic proximity. Crucially, the sites have complementary peaks providing natural synergies, ensuring productivity increases in line with peak demand. Centralised management plans deployment against customer forecasts, ensuring that our customers in the area benefit from up to 8,000 scalable weekly hours of highly skilled colleagues. The scheme is win-win for colleagues too, as they get the benefits of secure employment and still enjoy flexibility.



83% of retailers surveyed believe a shortage of warehouse space has negatively affected their ability to serve their customers.

oneVASTwarehouse.com: Staying agile and resilient requires sharing facilities for mutual benefits.

OneVASTwarehouse.com is Wincanton's collaborative digital solution to the shortage of available warehouse space in the UK. The digital platform connects buyers and sellers of warehouse space, helping organisations requiring additional flexible warehousing services collaborate with other parties who have space across the country that meets their requirements. Latent space is utilised by those looking to remain agile so they can respond to the fluctuating demands of their customers. The service also provides integrated transport solutions, if needed, for a full collection and delivery service.





SUPPLY CHAINS
NEED PEOPLE

Supply chains need people

According to Oxford Economics*, boosting robot installations 30 per cent above the baseline could add an extra \$4.9tn per year to the global economy by 2030. And in October 2022, City AM** claimed that 'robots really could help dig us out of our low productivity spiral'. The article references the value of robots in retail for 'packaging, reducing time and costs and increasing efficiency'. This technology is vital for all sectors and industries, from retail to healthcare.

Rather than humans competing with robots for jobs, as feared with the arrival of Industry 4.0, humans are now intended to collaborate with them. These collaborative robots are to be integrated into supply chain processes for more repetitive and mundane tasks, providing humans with greater opportunities to use their creative flair.

"Supply chains need people... However much we invest in the development of automation and robotics, the sheer variety of products and services means we will always need exceptional people to ensure successful execution."

"Wincanton is at the forefront of making a career in supply chain and logistics one that is more inclusive, flexible, and rewarding, to build a representative workforce that is critical to our success."

Carl Moore, Managing Director of eFulfilment at Wincanton

**Source: In the 5th Industrial Revolution, creativity must meet technology - Oxford Economics*

***Source: No, it's not sci-fi. (cityam.com)*

Wincanton's Recruiter

Technology and innovation help us to manage this challenging peak. Wincanton's W² Labs programme has created Recruiter, a digital tool which enables us to reduce the time it takes to hire new people, from up to four weeks to just 24 hours. This is a 96% reduction in time to hire, based on an online assessment score. This includes a complete digitisation of the recruitment process so colleagues can see for themselves the working environment. This way they can self-select out of the process if the role is not what they expect. We have also digitised the interview process, removing unconscious bias which has resulted in an increased diversity of colleagues, so we fairly represent the communities in which we work.

Generation Logistics

The whole supply chain profession is coming together to build the workforce for the future. Wincanton is a proud gold sponsor of Generation Logistics, the new major careers and awareness campaign to promote the whole logistics industry, co-ordinated by the Chartered Institute of Logistics and Transport (CILT) UK and Logistics UK, in partnership with the Department for Transport. It has been set up to address the industry's long-term image and recruitment issues.

By shining a spotlight on the skilled, complex nature of the UK's interconnected logistics industry, the campaign aims to attract, identify, and develop a new and diverse generation of talent to fill vacancies industry-wide and future-proof the sector.



Social value

Like retail, healthcare has people at its heart. Therefore, it's crucial that all organisations in these supply chains foster more inclusive workplaces where difference is welcomed and celebrated, and we represent the communities in which we operate and the customers and patients we serve. This also includes creating a culture of care where all aspects of health, safety and wellbeing are considered.

Future Drivers programme

Wincanton is dedicated to making driving a more inclusive, flexible, and rewarding profession to ensure our supply chains are properly resourced and capable of meeting the needs of our customers. Through a combination of targeted apprenticeships and fast track driving licence acquisition schemes, supported by the government's Plan for Jobs skills and employment programme, the Future Drivers programme helps develop the careers of our existing colleagues as well as attracting and training new colleagues as Wincanton drivers.

The 2021-22 programme has seen an increase in the percentage of drivers under 34 years old (58%), and a higher than ever representation of female drivers (6%, compared to 1% UK-wide).



Armed Forces Covenant

Part of Wincanton's social value focus is to ensure our business community is made up of some of the most underrepresented, and sometimes underserved, members of our communities. One way we achieve this is with our Armed Forces Covenant.

Wincanton has achieved a Silver Award in recognition of its exceptional support to the armed forces community by ensuring a seamless transition for veterans who are looking to join Wincanton. With veterans twice as likely to be unemployed as their civilian contemporaries, Wincanton is embedding an inclusive culture and building the workforce of the future to meet the needs of our nation's supply chain.

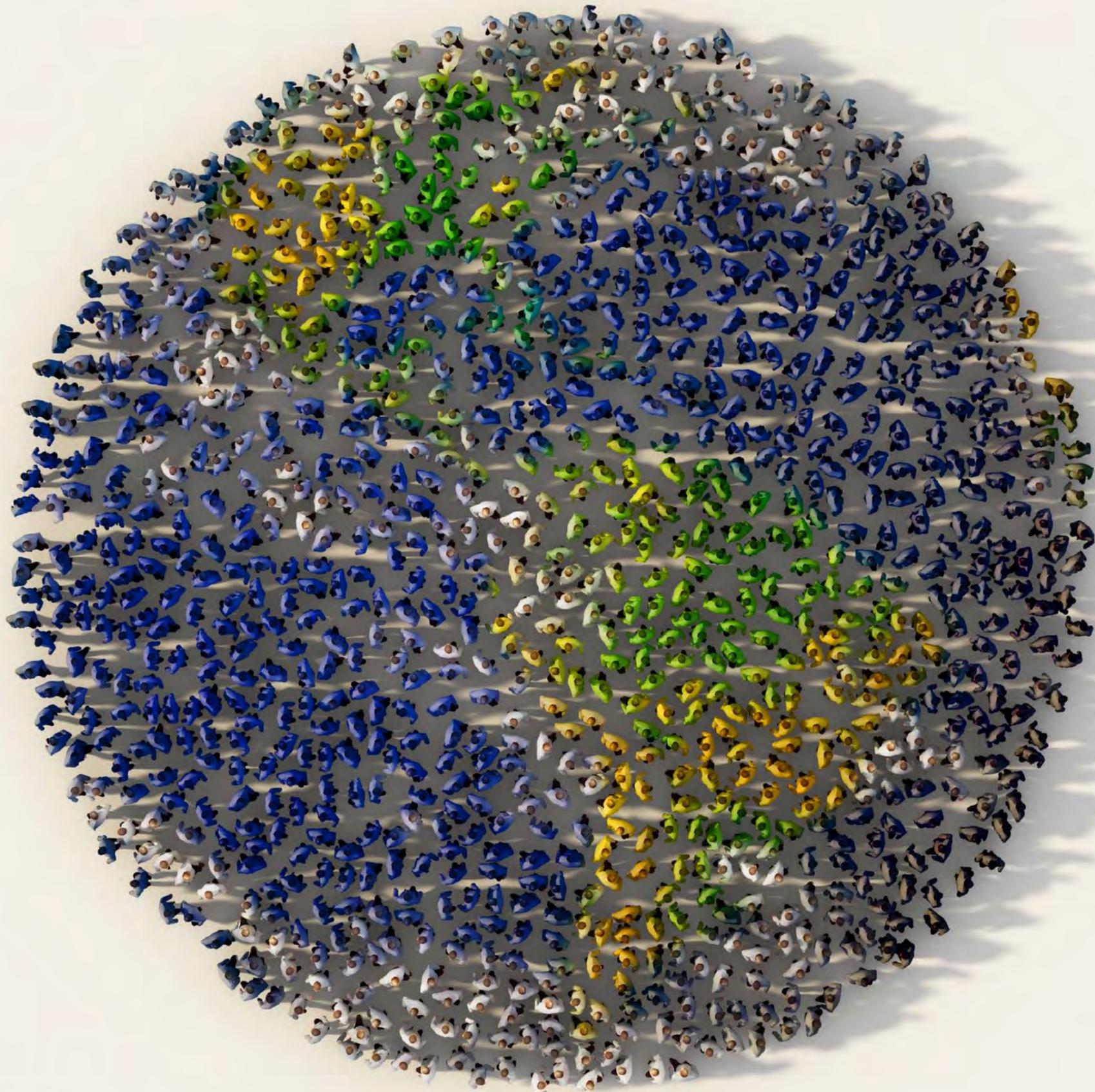


Equal Support Opportunities

In 2018, alongside one of its valued customers Screwfix, Wincanton began to work with Equal Support Opportunities (ESO), an organisation delivering unique holistic experiences to young adults from 16 years+ living with learning differences in the community. Fast forward to 2022 and we have reached a stage where candidates from ESO are now either permanently employed or undertaking long-term placements.

The success of the ESO project was recognised and we were approached by Mencap, a UK charity supporting people with learning disabilities. Mencap support not only the individuals but also their families and carers. We have replicated the course content and are currently working with our second Mencap cohort.





A SMOOTH TRANSITION TO SUSTAINABILITY

A smooth transition to sustainability

The pressure to reach net-zero ambitions is accelerating as we know that climate change is a danger to our health as well as our planet. Long-term thinking is required to build sustainable supply chains in the UK. As we become more sustainable, a blended approach which mixes collaborative and innovative solutions will smooth the transition and ensure organisations rise to this long-term challenge.

Major UK retailer: HVO trial

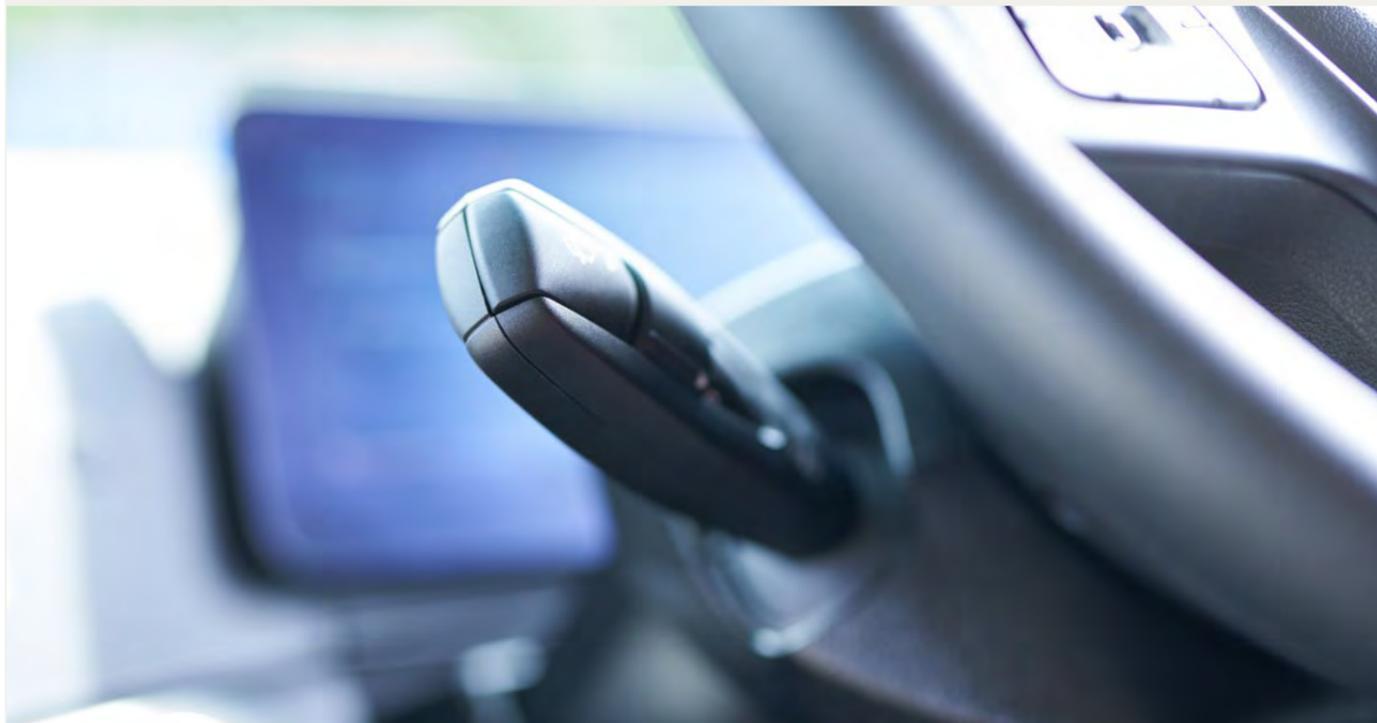
Wincanton is working in partnership with a major UK retail customer, in line with their ESG goals, to trial the use of Hydrotreated Vegetable Oil (HVO) on transport operations. This fuel type, synthesised from 100% renewable raw materials such as vegetable oils and fats, offers a flexible solution as a 'drop-in alternative' to diesel. This extensive trial is also evaluating the impact of HVO on the site's refuelling infrastructure.

Wincanton is also trialling several electric vehicles (EV), as we look to improve our understanding about the benefits of alternatively powered vehicles on all aspects of our customers operations.

Wincanton Woodland: A route to sustainability

As part of the net-zero journey, 'Wincanton Woodland' provides our customers with an authentic approach to offset their own carbon emissions through a certified and recognised programme which provides a mix of international and UK portfolio of predominantly forestry and other offset projects.

This agile carbon neutral solution invests in carbon offsetting projects alongside proposed new technology solutions to decarbonise the supply chain. At every stage of the path to net-zero, Wincanton's agile approach builds resilience for our customers' supply chains as they navigate a route to more sustainable future.





| CONCLUSION

Conclusion

Customer first healthcare

Resilience is essential to successful supply chain execution, and there are serious consequences if problems are not addressed. For healthcare professionals focused on delivering the best value and improving patient outcomes, weaknesses in supply chain resilience can be catastrophic.

Covid-19 was a stress test for the economy, which assessed the health of supply chains in real-time, with real-world consequences. Retail and eCommerce, for example, was forced to address unpredictable volume spikes at pace and adapt quickly to new ways of doing business.

Such experiences have taught British businesses and organisations that resilient supply chains are critical to meeting their goals.

As we move forward, we see a desire among retail leaders to increase supply chain resilience and improve the customer experience. Our research found some 79% of retail and eCommerce businesses agree that outsourcing their logistics functions to a supply chain partner would improve the resilience of their supply chains. Outsourcing means retailers can focus on what they do best, developing products and experiences which continue to delight their customers. Healthcare supply chain leaders can learn from this approach and see improved resilience as the way to deliver safe and excellent patient care.

Next generation collaboration

Healthcare is a megaproject in every conceivable way. The complexity and scale of its supply chains require resilience, agility and visibility in the face of fluctuating and intensifying pressures.

Collaboration is essential to building resilience in all supply chains. The UK would not have got through the pandemic without effective collaboration, and many organisations are now looking to challenge conventional ways of working to meet customers' needs safely and effectively.

Building further supply chain resilience in healthcare will also require improvements in supply chain visibility to manage stock availability, monitor compliance and better protect customers from supply issues.

Healthcare supply chains are transitioning to net-zero and can learn from long-term thinking required by retailers to build sustainable supply chains of their own. Here, collaborative and innovative solutions will smooth the transition and ensure we rise to the challenge.

Benefiting from the next generation of collaboration will see healthcare markets improve accuracy, productivity, and resilience by using robotics and automation technologies. This will be best achieved by working with a partner with expertise, experience, and the ability to adapt to changing needs.

Strengthening patient care

Like healthcare, supply chains need people to deliver effectively and efficiently. Enabling supply chain resilience in the sector will require innovative, people-focused, solutions which put health, safety, and wellbeing at the heart of the workforce of the future.

Ensuring a customer first approach to healthcare supply chain resilience requires a focus on collaboration, innovation, people, and sustainability. Acting across these key pillars will deliver a path to change and will put patient care at the heart of supply chain resilience.



GET IN TOUCH

Wincanton has the expertise to support you wherever you are on your resilience journey.

Do you want to learn more about how Wincanton can help you ensure your healthcare supply chain delivers exceptional patientcare in challenging times?