

Automation Creates Efficiencies, Improves Bottom Line

A Pride Institute and Cubex Case Study: Brewer Dentistry

The Pride Institute is a leading practice management company that empowers dentists with proven business solutions. Founded by Dr. Jim Pride in 1976, Pride's philosophy is to develop new models and methods that address the ever-evolving needs of their clients. They believe every new piece of technology and advances in systems affects how doctors manage their practices.

A New Way to Manage Supplies

In January of 2009, Amy Morgan, CEO of Pride Institute, was introduced to Cubex, the provider of innovative technology solutions that automate the inventory management process for dental practices. Excited about the Cubex offering, Morgan wanted to validate the technology with a Pride client to ensure that it would meet the business objectives for the dental community.

The Institute recommends that their clients answer eight evaluation questions (see side-bar) before embracing any new system or technology. They believe a pro-active, industry leader always analyzes the challenges and successes of a solution so that there is a plan to maximize success during implementation.

Drs. Keith, Dean and Amanda Brewer of Modesto, California were ideal candidates to validate the solution and philosophies that both Pride and Cubex shared. The Brewers have been long-time clients of the Institute so following these questions provided key insight for them as they evaluated Cubex.

Getting Started

The Drs. Brewer provide state-of-the art dental care in all disciplines: Restorative, Cosmetic, Endodontic and Oral Surgery, Implant,

CAD/CAM and Periodontal Treatment. With an additional staff of 4 hygienists and 5 assistants, the inventory costs and supply usage are substantial.

When the doctors remodeled their dental office from four to eight operatories, storage of large amounts of supplies in multiple places became problematic as staff worked to be sure adequate inventory was on hand. Previous experience had taught the Drs. Brewer that manual procedures for tracking and ordering supplies were cumbersome, time consuming and often yielded inaccurate data for tracking actual costs. However, superior patient care is a big part of the office vision, so running out of any required items was unacceptable. The increased cost of these supplies began to challenge their carefully planned budget for supplies.

Identifying Inefficiencies

With the office seeing as many as 45-50 patients a day, management of their dental supplies became difficult. There were large amounts of excess inventory stocked in several different locations. All of the staff and dentists



Cubex® is a company dedicated to providing a variety of healthcare markets with automated inventory management through sophisticated cabinet and scanning technologies. Our flagship product, Cubex enables our customers to efficiently manage the ordering, tracking and costs associated with inventory. for more information visit

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were accessing inventory, and several employees were responsible for ordering and stocking supplies. This resulted in financial loss as over-ordering, accumulation of outdated supplies and increased carrying costs sky-rocketed. There was no system in place to evaluate consumption data so excess supplies would be ordered to avoid shortages.

Seeking Solutions

Keeping close track of expenditures has been a part of their business philosophy for many years. When the Brewers saw their supply expenses exceeding healthy norms and occasional shortages in spite of over-ordering, they knew they needed a new system to help with the challenge of growth in their practice.

Cubex offered the Brewers an exciting solution to their supply dilemma with The Cubex System. The system consists of automated supply cabinets and a web-based management solution that tracks the usage of supplies and streamlines the ordering process. Having the capability to centralize supplies into one location would provide them with greater control over their inventory and increase staff efficiency.

This advanced, automated storage technology not only addressed their current challenges, but it would also allow the doctors to solve future inventory challenges as new products and procedures were introduced into the office. The Brewers made the decision to gain control of their inventory by investing in this technology which also supported their vision to provide state-of-the-art care for their patients.

Automating the Practice

When implementing the Cubex solution in new facilities, the Cubex team knows that they are not just providing new technology but that they are also enabling new ways to work. This involves understanding current processes and

developing the tools required for change and automation.

The first step to implementing Cubex was for the Brewers' staff to complete an overall inventory of supplies. Next, supplies were placed in the Cubex cabinet; obsolete and expired inventory was returned to suppliers or discarded. Then, maximum and minimum levels were chosen for each item in order to establish an

Pride Institute Evaluation Considerations

1. What are the vision, goals and strategy for the practice? How will this new technology support all three?
2. What is the initial cost of the new technology and how long do we expect not only a return on our investment but profit (increased money, efficiency or quality of experience) from our purchase?
3. Which team members will need to learn new skills to support implementation?
4. What is the training plan and what resources are needed in order to master the new skill?
5. What is the expected learning curve and how will this impact the practice in the short term?
6. What systems will be affected by implementing this new technology-scheduling, financial arrangements, treatment presentation, continuing care, etc.?
7. Is this new technology something our patients will appreciate and value?
8. How will we market (spread the new information) to increase interest and inquiry?

order point to establish automatic reorders to suppliers. Lastly, cabinet access privileges were assigned and with the touch of a button, each staff member would now be able to access 99% of their supplies which had been consolidated into one centralized location.

Here's how it works. Employees access the Cubex by entering a pre-assigned identification code, along with the item they need. Tiny lights along the facings of the shelving in the Cubex cabinet flash on-and-off to guide the user to the location of the item. Once located, the user presses a button on the face of the drawer or shelf. The Cubex System software then subtracts that item from the inventory on hand total. The user logs out of the system and the cabinet locks securely. As the supplies are



“Not worrying about running out of a necessary supply has translated into better patient care.”

– Dr. Dean Brewer

depleted, the system sends orders directly to suppliers for replenishment.

Improved Efficiency

The Cubex System has completely automated the replenishment process and greatly improved workflows. The time and paperwork associated with tracking product usage has been greatly reduced according to Jamie Van Leer, Supply System Coordinator. She also found that the system made it much easier to control outdated supplies.

Automating the order process has also decreased the amount of orders she places. Once items reach their preset minimum levels, they are batched together on one order for each supplier and sent to suppliers via the Internet once a week. This has allowed the doctors to

lower their on hand inventory thereby reducing overall carrying costs.

“Now with the Cubex System in place, staff members are more accountable and aware of how they use supplies. It quickly becomes apparent that supply consumption actually goes down when access to supplies is controlled. On a day to day basis, I really just don't have the stress level that I had before in making sure we had everything we needed,” said Van Laar. “I have a lot more time to spend with our patients.”

Ensuring Ongoing Success

Management continuously monitors consumption to further optimize their inventory. The Cubex System provides a variety of reports that analyze inventory levels based on past history of utilization and aging reports that identify obsolete or slow-moving inventory by item category and user. The result is a finely tuned stock of supplies with the right balance that rarely expire or stock out. This lowers inventory carrying costs, and assists them to adjust replenishment cycle times.

Financial Benefits of Cubex Implementation:

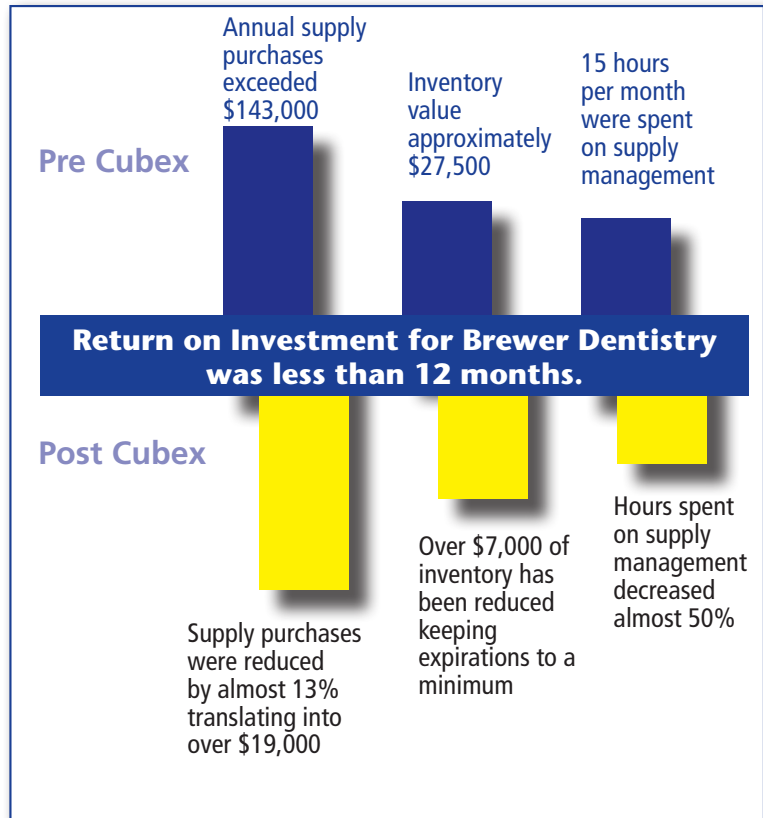
Once Cubex was implemented in the Brewers office in February of 2009 the Pride Institute initiated a comprehensive study to evaluate the actual financial benefits. This study compared overall inventory costs before and after implementing The Cubex System. The data points tracked include:

- Operational cost (the labor associated with supply and pharmacy inventory management)
- Monthly purchases of supplies
- Inventory holding cost and its related impact on cash flow

Results showed the following:

- Since the introduction of Cubex, the amount of time associated with supply management has decreased 50%.
- The overall supplies purchased have decreased from 6% of gross income to 5% translating into about a \$19,000 yearly savings in dental supply expenditures.
- By co-coordinating inventory quantities with usage and order dates, on-hand inventory has decreased from \$27,500.00 to \$20,317.00 (almost a \$7200.00 savings) while improving item availability.
- The combination of reductions in operational costs and supply purchases compared to the cost of the Cubex System allowed the Drs. Brewer to achieve a positive return on investment in just 7 months. From that point forward, savings related to decreases in labor costs and inventory contribute to the office profit.

After the positive experience with the Drs. Brewer, it is becoming increasingly clear that the technology and automation that Cubex provides for dentists will not only enhance patient care and increase staff efficiencies, but improve a practices bottom line.



Independently, upon the recent arrival of Dr. Lou Shuman as President of Pride, utilizing his experience and that of fellow expert, Dr. Larry Emmott, an exhaustive assessment of the existing technology community was performed. Cubex was selected as only one of fourteen companies to be awarded the prestigious Pride Institute “Best of Class” Technologies Award for 2009.



Our clients (the Brewers) success story in reducing overhead supply costs and increasing patient care is a great example of how the synergy between companies like Cubex and Pride Institute can create win-win impact for dentists and their teams. Cubex is truly providing our dental community the resources to turn to for best practices in inventory control.

– Amy Morgan, CEO Pride Institute