

# Who Makes Progress™ in Healthcare

8,100,000  
members served by the  
US's largest HMO

1,200  
fewer phone calls to Kaiser  
Permanente buyers in the first  
six months of the WISE  
installation

400  
new facilities opening  
each year

99+%  
accuracy rate with WISE

0  
DBAs

## KAISER PERMANENTE



### Progress®-based Solution for Warehouse and Asset Tracking

#### Problem

Kaiser Permanente needed a high capacity, flexible warehouse and asset solution to track nearly 10 million pieces of equipment for hundreds of facilities with accuracy and reliability.

#### Decision

Kaiser Permanente wanted a Web-enabled application for warehouse management together with asset tracking that would serve their decentralized Start-up Services operation.

#### Solution

Kaiser Permanente selected WISE from Royal 4, built in Progress OpenEdge, a Web-enabled, object-based warehouse management system that was easy to customize to meet their precise requirements.

#### Results

With WISE, warehouse productivity, choice, and customer satisfaction leapt to superhero heights. Kaiser Permanente's new warehouse information system is 99-plus percent accurate.

### Wise Choice: Kaiser Permanente Boosts Accuracy and Productivity with Progress and Royal 4

Kaiser Permanente is the largest American nonprofit health maintenance organization (HMO), serving 8.1 million members in nine states, and building and opening between 300 and 400 new facilities each year. With that much new construction, Kaiser Permanente has an enormous number of newly acquired assets and items to track through its Southern California distribution center—to be precise, eight to ten million pieces at any given time.

"We'd been trying for 12 years to get accurate tracking," says Jonathan Rothschild, Kaiser Permanente's supervisor for Start-up Services Operations. But that proved difficult. Simple requests for basic data required pulling together piles of paper and summarizing the information into a written report.

But in 1999, Rothschild found Royal 4's WISE (Warehouse Information System Expert), which was developed and runs in the Progress environment. Warehouse accuracy, productivity, and customer satisfaction leapt to superhero heights. After a three-month audit proved the system's excellence, the WISE application is being rolled out in other Kaiser Permanente warehouses.

#### ***Highly Customized Functionality - Delivered On Time, On Budget***

Kaiser Permanente's Start-up Services Operations is an unusual warehousing division, with highly customized needs. When Kaiser Permanente builds a new healthcare facility,

*"We'd been trying for 12 years to get accurate tracking. WISE is currently doing everything I want, which I thought was almost an impossibility. Had I tried to do this internally, it never would have happened. We want to give our end-users as much warehouse information as they could possibly want, live and online. WISE and Progress are the best at doing just that."*  
*Jonathan Rothschild*  
*Supervisor*  
*Start-up Services Operations*  
*Kaiser Permanente*

Start-up Services is responsible for purchasing, receiving, tracking, and distributing all the equipment required for that facility—from office supplies like calculators and trash cans to capital equipment like surgical tables and EKG machines. "Every item we receive, store, and ship was ordered for a specific room in a building under construction," explains Rothschild.

With between 300 and 400 buildings opened each year, 40 or 50 construction projects are generally underway at any given time. As each building neared its opening date, accounting needed to be able to check what was received, on order, or still needed. Rothschild's frustration lay in not being able to answer those queries completely and consistently.

As a result, Rothschild's Kaiser Permanente division needed warehouse management together with asset tracking, an unusual combination. Add to this the fact that the Start-up Services staff is decentralized across Southern California, and you can see the challenge. Enter Royal 4, which had the foresight in the mid-1990s to use Progress technology to design from scratch a Web-enabled, object-based warehouse management system, called WISE.

In February of 2001, Royal 4 and Start-up Services began discussing the project's requirements. The software was up and running by May, and all the core warehousing and asset tracking functionality was installed by July—more quickly than Rothschild had thought possible. For the next six months, Kaiser Permanente Start-up Services and Royal 4 customized and rolled out Web access and added wish-list items.

All that could happen so quickly in large part because of the underlying Progress OpenEdge platform. WISE brought more than 75 percent of the functionality Kaiser Permanente required. The rest involved using Progress WebSpeed® to fine-tune user interfaces and Web front-ends to mimic Kaiser's highly specialized needs.

"The ability to deliver product to market in a timely way comes from using Progress tools," emphasizes Sam Elasmir, president of Royal 4's Warehouse division. "That's why we could quickly and effectively customize for each of Kaiser's specific requirements. WebSpeed made it easy to develop interfaces, reports, and detailed screens that were specific to a variety of different users—on time and on budget."

Rothschild was pleased by how quickly he and his staff learned how to use the system. "I was very happy with the training; it went so much more quickly than I expected that I kept shaking my head," he says. "We haven't had any problems. While the program is not simple in what it does, it is quite simple to use."

### ***Fast Customization***

"WISE is currently doing everything I want, which I thought was almost an impossibility," says Rothschild. "Had I tried to do this internally, it never would have happened."

Start-up Services's internal customers can now look up their orders on the company intranet and, within seconds, see a precise, real-time list of what they've ordered, what's been received, and what's on its way. As one of the wish-list items, Royal 4 created a screen for radio frequency (cellular) handheld devices. When items are delivered from the Kaiser Permanente distribution center to their final location, whoever receives the shipment can sign on a "box" on the handheld's screen, ensuring not only accurate delivery, but also electronic document confirmation. On the company intranet, authorized Kaiser Permanente users can check whether an item was delivered, and if so, who signed for it and when. This completes the purchasing loop and allows the users to track supplier performance to such things as delivery and fulfillment terms.

*A thorough three-month audit proved the superiority of the WISE system. "The audit showed 99-plus percent accuracy," reports Rothschild. "That's at least an eight percent improvement over the old system."*

"Whenever I come up with a request for Web changes or new reports," Rothschild says, "Royal 4 tells me it's going to take a while—and it usually comes in an hour. They must have extremely strong tools behind them."

#### ***Benefits: Accuracy, Lower Costs, Productivity, Customer Satisfaction***

A thorough three-month audit proved the superiority of the WISE system. "The audit showed 99-plus percent accuracy," reports Rothschild. "That's at least an eight percent improvement over the old system." In fact, during the audit the WISE system reported an unclaimed laptop sitting in the warehouse, which Rothschild found hard to believe: if such a valuable item hadn't been delivered, its intended user surely would have called repeatedly. Investigation showed that the intended user had left the company. That laptop was put to use, rather than left waiting on the shelves until someone spotted it and got suspicious. No more lost merchandise translates quickly into lower costs. Less quantifiable, but just as real, is the boost in customer satisfaction and productivity. Since internal customers can check their project inventory online, they don't have to call the Start-up Services buyers to find out what's on hand. As a result, buyers are no longer "buried in answering telephones and providing customer service," he says. "They can dedicate themselves to purchasing."

Rothschild counts 1,200 telephone queries that his buyers were spared during the first six months of 2002. And because internal customers can answer their own questions whenever they want, they "are more productive as well," he reports. "They're really pleased with that."

And thanks to Progress's low cost-of-ownership, this boost in productivity has required almost no IT staff power, with no dedicated database administrator or support staff. "The system is almost self-maintaining," says Elasmur. "It tunes itself and doesn't require much management, besides spot-checking the daily tape backups." "We want to give our end-users as much warehouse information as they could possibly want, live and online," adds Rothschild. "WISE and Progress are the best at doing just that."

## **About Royal 4**

Royal 4 provides technically superior, world-class software solutions to a multinational customer base. Royal 4 software is based on the Progress relational database and 4GL. Royal 4 software runs on most operating systems and interfaces with almost any other database management system. WISE is a state-of-the-art internet-enabled B2B and B2C Warehousing Software Solution.

## **About the Progress Company**

The Progress Company is a global supplier of software and services that simplify the development, deployment, integration, and management of business applications. The Progress® OpenEdge™ platform, with the industry's leading embedded database, delivers lowest cost-of-ownership applications that are rapidly implemented and easily integrated with other enterprise, extended enterprise, and Internet applications. The Progress Company and its Application Partners supply more than \$5 billion annually in Progress technology, Progress-based applications, and related services. Progress customers span 50,000 organizations in more than 120 countries including 70 percent of the Fortune 100.

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