

IN PROFILE

McKesson Logistics Solutions: Putting the Client First

Most entrepreneurial companies want to expand: after all, new clients, new venues, new horizons are all part of the appeal of running your own business.

In the case of McKesson Logistics Solutions (MLS) — an Oakville-headquartered third party logistics (3PL) company specializing in the health care industry — opening a Los Angeles distribution centre in 2007 came at the request of a client. The medical device company was so satisfied with MLS's capabilities and service as a client in Canada, it requested that they open a distribution centre in the U.S. to handle its logistics business there.

"It was fairly easy for us to expand geographically," says Cameron Joyce, president, noting that the company operates Canadian facilities in the Greater Toronto Area, Calgary and Vancouver.

"Our company's systems are scaleable and portable; we use the same processes and systems regardless of where our offices and warehouses are located," he explains. At present, MLS is already in negotiations with three other large health care manufacturers for providing 3PL services in the U.S.

Competitive sector

Providing logistics services to the health care sector is a niche market, yet it is competitive and growing, in size and scope.

Whether the items to be picked, packed and transported are prescription drugs, over the counter medications, health and beauty aids, medical devices or natural health products (a quickly growing category), Joyce knows the sector well.

An entrepreneur who likes challenges, (most recently, he is learning to fly so he can head to lakes in the far north of Ontario in a floatplane), Joyce literally worked his way up in the logistics industry.

Initially, Joyce set out to be a musician, studying composition and arranging music at renowned Berklee College of Music in Boston. Then, life as a live musician beckoned. After 10 years on the road as a trumpet and keyboard player, Joyce returned to Toronto looking for a career change.

He got a job as a contract courier for a major company, working his way up through the ranks to become Director of Operations. His path was set: logistics would be his forte.

In 1994, Joyce co-founded Associated Logistics Solutions, a 3PL company specializing in health care and retail consumer goods. Ten years later, he merged his company with McKesson Outsource Logistics, part of the larger U.S.-based McKesson Corporation.



Cameron Joyce

McKesson Logistics Solutions Snapshot

- Third party logistics provider (3PL) providing full supply chain and "order to cash" services for the health care sector.
- Headquarters in Oakville, Ontario. Canadian facilities in GTA, Calgary and Vancouver.
- In 2007, expansion into the U.S., opened a facility in Los Angeles
- Goal: Provide North American, and eventually global logistics solutions through continued expansion within Canada and U.S. and abroad.



Feltmate Delibato Heagle

L A W Y E R S

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The combination created a “nimble, entrepreneurial company with corporate discipline,” says Joyce. The new, still privately-held McKesson Logistics Solutions, has shown impressive growth of 60 per cent since the merger, says Joyce. It employs 170 people, including warehouse, customer service, IT and administration staff.

Much of the reason for the company’s continuous growth is due to its early commitment to crafting a mission statement that is uniquely its own, says Joyce. Mergers can be dicey: the marriage of corporate cultures and ways of doing business need to be done with delicacy.

Shortly after the merger, input as to the company’s strengths, how it would best function and compete, was gathered from every employee. Armed with this information, Joyce and his managers met at a retreat to define the future of the company. “It took four to six months to achieve the right vision for us, we didn’t “rent” a mission statement from another company...it wasn’t a ready-made solution out of a box,” reflects Joyce.

One of the results of the carefully-wrought corporate vision is that MLS benefits from being a company with a “short decision-tree.” Requests from clients are heard and handled quickly.

Recently, MLS was appointed 3PL for a large manufacturer of health and beauty aids. The challenge was to move all the thousands of pallets of product — while the manufacturer was carrying on an active business — from its present location at a competitor’s warehouse to MLS’s facilities.

If the product flow to the manufacturer’s end-customers was disrupted, resulting in empty spaces on retailers’ shelves, there would be a chance consumers would opt for a competitor’s brand.

“We worked with the client for months ahead of the move, planning and testing the system to ensure there was a seamless transition,” says Joyce. “In the end, it worked out so well that even the manufacturer’s internal customer service department didn’t know the physical change had occurred.”

Giving back to the community

In terms of its commitment to the community at large, the company supports a number of charitable organizations through volunteer work and financial donations. Joyce credits a dedicated work force that not only is the backbone of MLS, but also, cares deeply about the communities in which it operates. Joyce, 52, and his wife, Fran, are active in the community in organizations as diverse as The Week-end to End Breast Cancer and Kids’ Health Links Foundation.

In particular, MLS, like many of its clients and fellow members of the Canadian Cosmetic Toiletry and Fragrance Association (CCTFA), has been a supporter for many years of the Look Good Feel Better organization. This national, non-profit program is committed to helping women manage the appearance and related effects of cancer and its treatment. MLS provides the program with donated logistics and distribution services and is a major sponsor.

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