

A look at the impact of automated dispensing cabinets on costs of goods sold, labor costs and shipping expenses within a general dental practice.



• Wellness Dental - Mesa, AZ

Q: Are 'Automated Dispensing Cabinets' able to reduce monthly supply spend and save dental staff time?

Overview

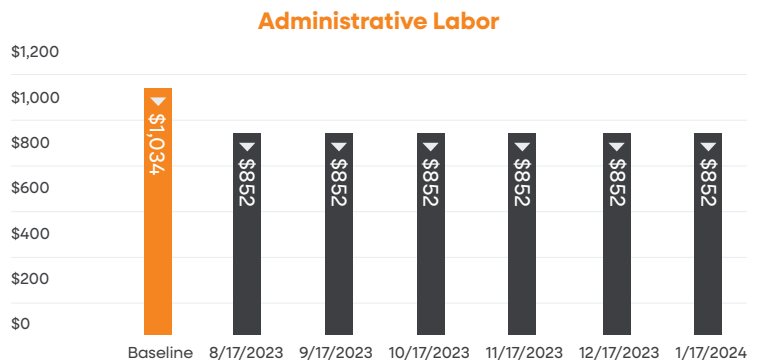
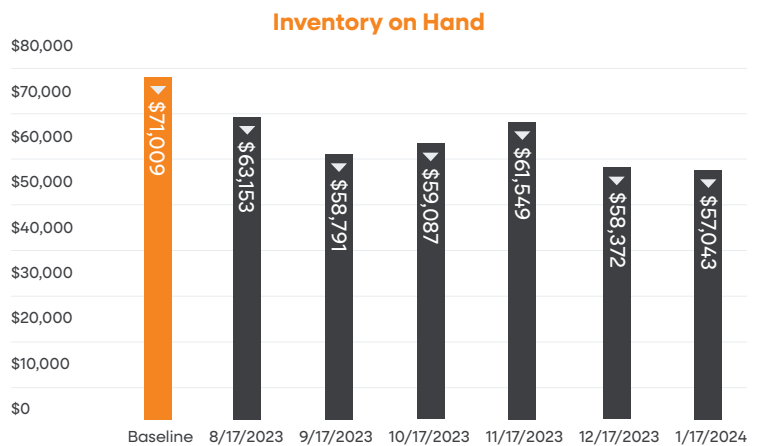
Wellness Dental, a general and specialty dental office in Mesa, Arizona, needed to reduce operational costs associated with inventory in order to combat increasing supply and labor costs.

Their practice looked to Smart Inventory Cabinets or ADCs*, a technology used in other healthcare sectors, to drive down costs. This methodology was used for a 180-day period from August 2023 through January 2024.

Automated dispensing technology has become standard-of-care for acute care hospitals, and is increasingly common in other areas of healthcare, including long-term care and veterinary medicine.

*ADCs = Automated Dispensing Cabinets

Inventory on hand, expedited shipping, and admin labor cost results at 180 days of ADC use



“Having our inventory automated with Zimbis has been a massive time saver. We’re also spending thousands less on inventory each month.”

- Jessica, Practice Manager

\$13,966

Reduction in on-hand inventory

Without the looming threat of ‘stock outs,’ reduced inventory levels were possible without compromising clinical efficiency. This cash flow improvement was made possible by the ADCs’ ability to re-order stock automatically when supplies run low for any given item.

\$2100 /mo.

Avg. savings on supplies

During the study period, the automated smart cabinets helped prevent loss, misuse, and expiration, resulting in a reduction of supply spending by over \$2000 per month. This was achieved through a combination of hardware control (electronic doors) and software prompts.

18%

Decrease in administrative labor costs

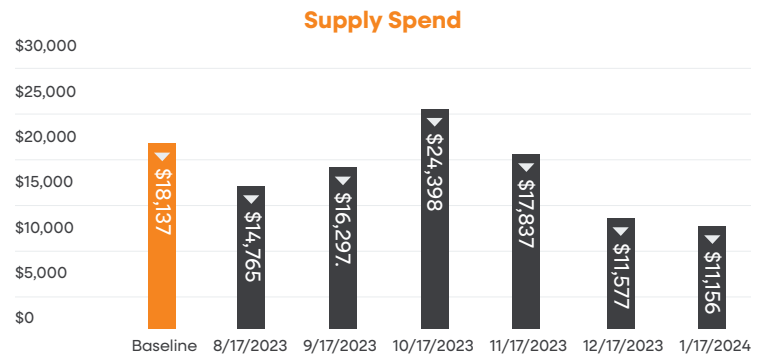
These reduced costs, based on the time savings of the staff and translated into wages, are derived from the platform’s ability to automatically log controlled drug transactions and create order lists without the need for manual inventory counts.

Objectives & Methodology

Wellness Dental incorporated smart inventory cabinets from Zimbis, the leading provider of this technology for dentists. Data from the practice during the first 180 days of smart cabinet use was collected for this analysis, with the following focus areas:

- **Inventory on-hand** required for operation. The volume of inventory, measured in dollars, sitting on supply shelves.
- **Administrative labor** related to inventory such as regulatory record keeping, assessing on-hand inventory levels for potential re-order.
- **Cost of Goods Sold (COGS)**, primarily driven by monthly spending on implants, medications and other supplies.

Results & Recommendations



*October purchases were impacted by a one-time, anomalous order

The automated dispensing technology from Zimbis used at Wellness Dental significantly reduced on-hand inventory requirements, dropping ‘cash on shelf’ from over \$71,000 to just over \$57,000. Monthly supply spend also dropped, adding \$2,132 to the bottom line each month. If a one-time purchase in October is removed, that figure jumps to \$3,811 in monthly savings.

In total, \$26,788 was saved during the six-month study period, with anticipated savings of nearly \$40,000. While each practice is unique, the results produced by smart inventory cabinets (aka ADCs) for Wellness Dental are encouraging for those looking to adopt this technology.