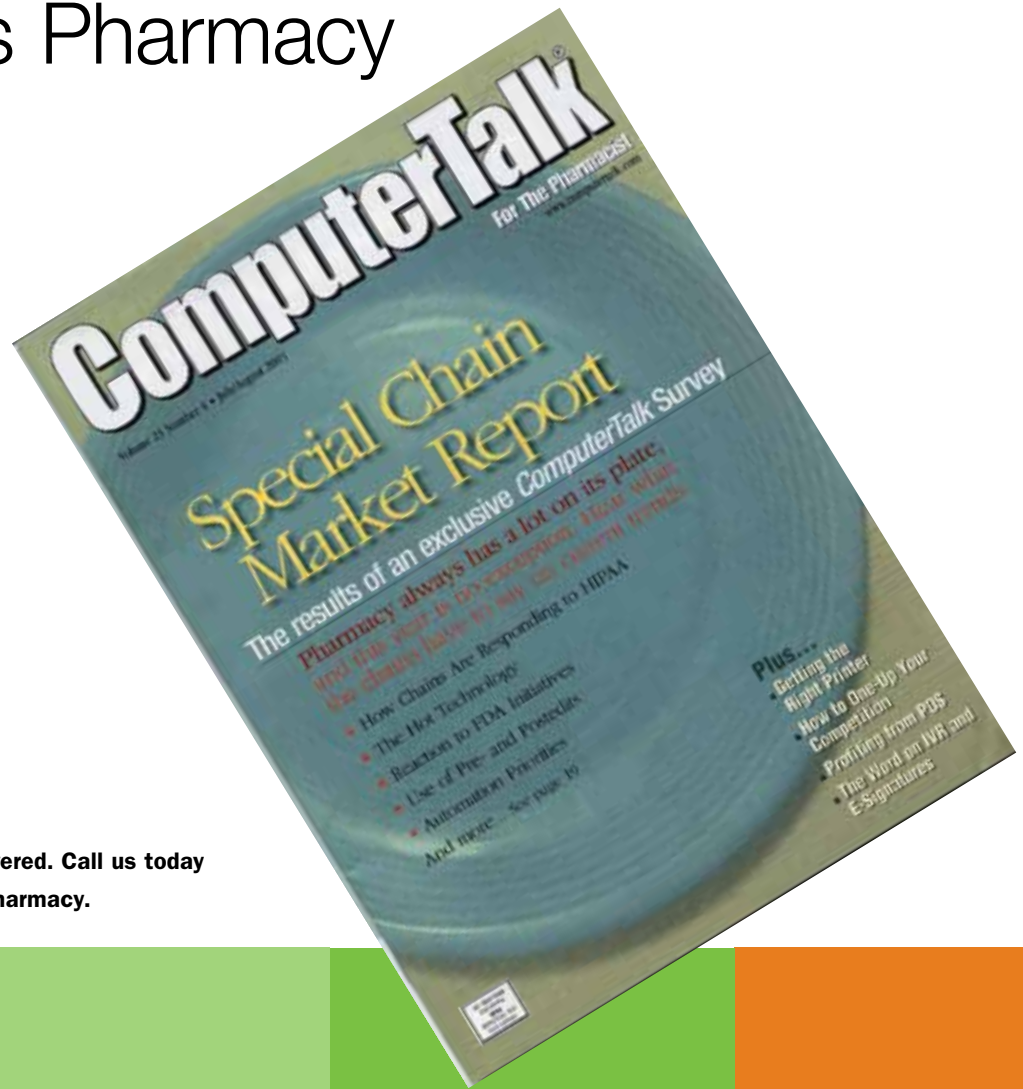


Customer Profile:

Dirk & Trish White, Harry Race Pharmacy
and White's Pharmacy



Whatever your size, we have you covered. Call us today
to determine the best fit for your pharmacy.

Toll free: [1.877.767.1060](tel:1.877.767.1060)
Email: sales@rm-solutions.com
Online: www.rm-solutions.com



The Industry Leader in Pharmacy Point-of-Sale Innovation

Meeting Management Challenges with POS

by Will Lockwood

The challenges Dirk and Trish White face are in many ways typical of independent pharmacists. Along with their general manager, Dori Welch, Dirk and Trish run Harry Race Pharmacy & Photo, a traditional downtown store of 4,700 square feet, and the 3,800-square-foot White's Pharmacy in a nearby strip mall. Like pretty much all independent pharmacists, Dirk, Trish, and Dori spend their days between their two stores coordinating, among other things, inventory and ordering, accounts receivable and billing, and employee training and time sheets. The only difference is that all this takes place in Sitka, Alaska, an island the size of Rhode Island 1,000 miles south of Anchorage and 1,000 miles north of Seattle. White's and Harry Race are the only retail pharmacies in this town of 8,000, which experiences a significant population increase over the summer tourist season. The stores provide prescriptions, DME, compounding, and consulting, in addition to full front-end merchandise. As Dirk puts it, "If it is pharmaceutical, it is in our court." While the circumstances may be a little unusual, what stays the same is the desire to run an efficient store that lets the Whites and Welch take the best care they can of their customers and employees.

Step by Step

One step they took towards this goal was installing a point-of-sale (POS) system in 1998. The original system didn't work out the way the Whites expected, and in 1999 they switched to Star-Plus POS from Retail Management Solutions (RMS), a company located in Lacey, Wash. "Our previous system wasn't tailored to our business," explains Welch. "It was hard to get useful reports out of our old system." The Whites started out with a basic system and, won over by its ease of use, have since expanded to a full slate of RMS products, including electronic signature capture, digital

video surveillance, and network security services. But they were dedicated to making POS work for them from the start. The Whites saw a pressing need to integrate their stores in order to cut down on redundant work. One goal was to maintain a single accounts receivable file. "In the summer, the locals don't go downtown," says Dirk White. "That made matching charge statements, for example, a nightmare in the past."



Dirk White: "It is our goal to be one of the best places to work in southeast Alaska."

Handling Inventory

Two other goals, says Dirk, were to reduce inventory and increase available capital. Implementing a front-store perpetual-inventory system through their POS system has accomplished these and provided a few other benefits as well. Welch explains their approach this way: The store is divided into four-foot shelf sections that are inventoried on a rolling basis. The staff scans the item with a handheld device, enters the quantity, and transmits the data to the POS system. The POS then prints a report of any quantities entered that are different from the numbers that were on file. This allows management to check for stock that has been stolen, misplaced, or shelved incorrectly, or for which the quantity was entered incorrectly during inventory. Of course, when an item is sold, the POS deducts it from inventory "When you have an accurate, current inventory," says Welch, "you don't overorder." The Whites also take a laptop to trade shows, with sales and inventory reports loaded, so they have a firm grasp of what they've been selling across both stores. "This helps us buy for both stores with confidence and

get better volume prices," says Dirk.

Calculated Ordering

The Whites also use their POS system to facilitate ordering from wholesalers. The system builds a calculated order based on the information from the perpetual inventory and sales. Next, the order is reviewed for accuracy and placed with the wholesaler. The POS then allows the staff to receive shipments by exception. That is, there's no need to enter every item number and the quantity received; all a staff member does is scan one item and modify the quantity if it is different from what was ordered. "We only want to handle each line item on an order once," says Welch. Automating orders in this way cuts down on excess inventory sitting on shelves — cold and flu remedies during the summer, for example — without the headache of keeping track of seasonal demand with pencil and paper. It makes very good sense when you receive multiple orders a week. "We had no real way of tracking turnover before," says Dirk. "But now we have quicker turns than a typical store our size."

One System, Two Stores

The integration of the POS across the two stores also means that once an item is received and priced at one location, it is set up at the other as well. The Whites also use the shelf label feature on the RMS system, Welch explains. They can print shelf and pricing labels by a range of categories based on a simple search, while the single product database means that prices can be uniform between the two stores, something people in Sitka notice, if there's a discrepancy. Carefully controlling inventory also benefits the pharmacy staff. Dirk White points out that he has to pay them well and offer good benefits in order to maintain a topflight workforce that stays around and

knows the store and its customers. "It is our goal to be one of the best places to work in southeast Alaska," he says. "I'd much rather put my money into my staff than have it sit on my stores' shelves." Welch sums up the topic this way: If you don't do perpetual inventory and proper product management, you are missing out on what the system can really do for you.

The interesting thing, according to Welch, is that when the POS sys-

tem was new, the staff was afraid of inadvertently doing something wrong that would crash the system. "They started out being afraid of the technology," says Welch. But with proper training, they all came to understand that the trust levels built into the system meant that they couldn't find themselves somewhere in the system they shouldn't be. The Whites have

continued on next page

Successful pharmacies rely on RMS

Electronic signature capture and real-time card verification bring convenience and transaction speed

POS priorities: Distributor-neutral and minimal training

"We're big believers in having a POS system that is universal. We've been down the proprietary path, where a system from a particular wholesaler is designed to generate repeat business for that distributor. Fortunately, our RMS system doesn't care who we buy from.

"From a staffing standpoint, the RMS system is a breeze. Training takes just minutes. We joke that it takes longer to create the employee file than it takes to train an operator."

— John Hoeschen, BS, RPh
St. Paul Corner Drug
St. Paul, MN

Call us today to discuss the best system for your needs.

Ultra-Lite

Enables quick IIAS compliance, so you can accept FSA cards immediately. This entry-level RMS solution begins at under \$6,000, including hardware.

Star-Lite Cash Management

Designed with the clinic and apothecary in mind. Experience the powerful benefits of point-of-sale technology at an affordable price.

Star-Plus POS

Everything you ever wanted from a POS system!
The most robust pharmacy POS system in the industry.

Star-Link Enterprise Solution

Real-time communication from site to head-office gives you up-to-the-minute sales history, inventory levels, and transaction detail in each of your stores.



Toll free: 1.877.767.1060
Email: sales@rm-solutions.com
Online: www.rm-solutions.com

continued from previous page

found this gives their employees the confidence to tackle their jobs within clearly defined parameters.

Another benefit for management and staff is the electronic time clock, recommended by RMS, that the Whites have integrated into their setup. It has made tracking the hours worked by their 30 employees much easier. Dirk explains that employees simply scan the bar code on their time card and are logged into the master system. Work records are tabulated at the touch of a button, which leaves Welch and office staff

with the relatively simple task of entering the totals into the accounting program. There is much less paperwork and the streamlined system really pays off by reducing the chances of human error, Welch says that this is particularly valuable for employees who work at both stores. "This gives us good documentation on what our workforce is doing," she says, "and allows for more intelligent scheduling."

New and Better Security

One of the most recent additions to the RMS suite running at White's and Harry Race is digital video surveillance. This system, run off a separate CPU, integrates with the POS so that it not only records activity in various parts of the store, but can also record each transaction at the registers with an itemized list of purchases, with the prices charged superimposed. The Whites can use this feature for employee training, as well as to protect customers and employees in case of potential discrepancies. A log-in and password mean that each transaction is tied to a specific employee and can be reviewed

What POS has meant to the Whites is getting a firm grasp on the details of their day-to-day operations, while using their staff's time better.

by this ID, by transaction, or by date. "We have a lot of accountability for those rare instances when something goes wrong," says Dirk White. Of course, the surveillance



"When you have an accurate, current inventory," says Welch, "you don't overorder."

also provides peace of mind when the store is closed and after-hours help or even ordinary thieves may be tempted to see what they can get away with.

Another POS feature that helps the Whites manage their front-store risk is a shared electronic journal, which spreads accountability for cash management. Managers count their store's cash each morning, and the business office then prints out daily sales totals from the master computer to match with the cash on hand. Creating a centralized daily check on cash means that no one person is in charge of the balances for the registers. Dirk White points out that it isn't easy to change a sales report to excuse a cash shortage, which acts as a real deterrent to trying to cover up errors or even skimming. "Our CPA loves it," he says.

The Other Customer Service

Just as important as using POS to serve your pharmacy customers better is making sure that you get the service you need from your vendor. The Whites have been extremely pleased with RMS on

this count. "With our previous system, we were basically a customer number," says Dirk. The vendor never came to the store and sold a standard module that they wouldn't customize. On the other hand, Welch says, RMS founder and CEO Brad Jones came up himself to install the POS system and has been back on several occasions. RMS has also been attentive in providing dedicated technical support based on a detailed history of White's Pharmacy and Harry Race. This means that the staff doesn't have to spend time providing a lot of background to get a problem solved. RMS also offers remote maintenance over the stores' DSL connections. "RMS knows us by name," observes Dirk, "and that's definitely worth something."

Getting Down to Details

What POS has meant to the Whites is getting a firm grasp on the details of their day-to-day operations, while using their staff's time better. But they warn that you can't think these systems fly on autopilot. "You have to be committed to using the system," says general manager Welch. But from that commitment, adds Dirk, comes the chance to increase your business by making your stores a better workplace. Dirk reports that sales volume is up every year and he attributes much of his staff's ability to cope with increasing demand to significant productivity gains from the POS system. As he puts it: You have to embrace technology to fully capitalize on it. "Don't buy it just to have a fancy cash register," he says, echoing Welch's emphasis on learning the process for using POS. "You will learn how to gather data and analyze it in ways you can't on paper." **CT**

Will Lockwood is a senior editor at ComputerTalk. His email address is will@computertalk.com.

