SuperPharm

Trinidad's Largest Retail Pharmacy Chain Gets More
Functionality from Its Existing POS and ERP Systems

by Jane Affleck

SuperPharm

Company:
- SuperPharm Ltd.

Industry or Service:
- retail pharmacy chain, offering a wide assortment of pharmacy and consumer products, as well as photo development and printing services

Geography:
- head office located in San Juan (Trinidad and Tobago) (all retail stores, along with the head office, currently located only on the island of Trinidad)

Software Requirements:
- To replace existing systems with a retail merchandising solution that will meet its present and future business requirements.

Users:
- 70, across the company's six retail locations and its combined distribution center and head office

Software Selection Project Needs:
- To find a decision support system (DSS) and best-practices methodology that can be used to evaluate the capabilities of available distribution and point-of-sale (POS) solutions that will satisfy prioritized business and user requirements.

Software Selection Expert:
- Technology Evaluation Centers (TEC) helped SuperPharm follow a software evaluation and selection methodology that ensured the pharmacy would find the solution to best fit its prioritized needs.

Benefits:
- Completing TEC's functional and technical requirement sets as part of a request for information (RFI) process allowed SuperPharm to get better insight into its business processes and how to improve them.
- Examining the capabilities of its existing retail POS and enterprise resource planning (ERP) systems allowed SuperPharm to measure where it was against its desired level of feature functionality. As a result, SuperPharm was clearly able to see that it was underutilizing the available functionality.
- The completed RFIs were also used to identify and plan for the necessary customized functionality and more in-depth training from the vendor for SuperPharm's existing solutions.

Caribbean Pharmacy Chain Expands Rapidly

After incorporating in 2004 and opening its first retail location in 2005, SuperPharm, Ltd. is Trinidad and Tobago's fastest-growing pharmacy chain. Now with six locations across the island of Trinidad, as well as a distribution center and head office in San Juan, SuperPharm offers services that include a 24-hour drive-thru window, photo centers, cosmetics counters, and a wide variety of personal care and health products, as well as convenience grocery items. All in all, the pharmacy chain has over 20,000 items.

SuperPharm prides itself on being a "national brand" that offers its customers best-in-class services and products, with a focus on convenience and a wide assortment of products.

The company's relatively rapid growth from inception, however, appeared to be creating a couple of business challenges. Ordinarily, one would think that increasing sales and customer demand is a good thing. However, SuperPharm's chief executive officer (CEO), David Sobrian, was becoming aware that the increase in sales and customer demand was too often leading to empty shelves: the company was experiencing what could soon become a serious problem with replenishment.

Empty Shelves Mean Lost Sales—and Dissatisfied Customers

More and more empty shelves were resulting in dissatisfied customers. "So it was imperative that we solve the replenishment issue," Sobrian explains. "Whether the out-of-stock item was a commonly purchased health product or a fringe product such as a foot cream—that was irrelevant. If the item is important to a customer, then we have to make sure it is available when the customer wants it."

Sobrian adds that "another part of the problem was that the process of getting the information we needed from our retail point-of-sale system was too time-consuming. It's not that the information wasn't there—it's just that we found it too difficult to find that information and use it. So, we also needed to make the information-gathering process more efficient, in order to facilitate our decision making." SuperPharm understood that if the company was to go ahead with its plan to open two more retail locations per year, then these issues had to be solved—and sooner rather than later.

All in all, it was starting to look like the company would need to implement new retail POS and enterprise resource planning (ERP) solutions—or one integrated solution that would also include capabilities for business intelligence (BI) to support the company's decision-making needs. Even though by this point, SuperPharm had an IT manager who was more than capable of heading a software selection project, the company was concerned about the time it would take to evaluate all available solutions and find the right one.

> "We were able to leverage our evaluation with TEC when negotiating with our legacy vendor to enhance features and functionalities. The evaluation helped us zero in on what we needed and the processes that we had to fine-tune. A number of functionalities were there in the system all along, but we were not utilizing them effectively for different reasons. TEC's methodology helped us recognize this, and address the issues and move forward."

– David Sobrian, Chief Executive Officer (CEO), SuperPharm Ltd.

Finding a Solution to the Challenges of Selecting the Right Software

Sobrian began searching the Internet to find a software selection methodology that would help SuperPharm tackle the problem of choosing the right software for its needs. Sobrian had been involved in a previous software selection project, when SuperPharm first started up and needed software applications that would be ready for the first store's opening. This selection project, conducted by an outside consultant, was not structured as well as Sobrian would have liked. This time, he says, "we definitely wanted a selection process that was objective and methodical."

TEC was Sobrian's choice for the new software evaluation and selection project. TEC's proven process and experienced decision support team helped SuperPharm understand its business processes more thoroughly and define its requirements by effectively facilitating the company's ability to have its stakeholders and users fill out a detailed request for information (RFI). Then, the company prioritized those requirements. All responses to the RFI were analyzed in TEC's decision support engine ebestmatch™ using its patented Weighted Average Composite Index (WACI) algorithm, creating a long list of vendors that could potentially meet the company's needs.

"TEC helped us stay focused on the project and save time," Sobrian observes, adding that the overall project took three months. "TEC brought the needed structure, discipline, and methodology to our selection process."

SuperPharm had decided it also wanted its legacy solution to be included in the evaluation. As it turned out, the list of potential vendors that met SuperPharm's needs was short. A little disappointed that there weren't more solutions to choose from, Sobrian was also surprised that the legacy solution came out ahead of the others in many scoring categories. He explains that "ebestmatch made it clear that our existing solution often scored better than other systems when it came to our high-priority requirements. Because of this, we were able to see that the legacy system had functionality we hadn't fully explored and could yet be taking advantage of."

Coming (Almost) Full Circle: SuperPharm Keeps Its Legacy Solution—with a Few Adjustments

Based on the recommendation of TEC's software evaluation project manager—and the incontrovertible evidence from ebestmatch—SuperPharm opted to keep its legacy ERP and POS solutions, adding a complementary business intelligence (BI) application from a partner vendor. Sobrian explains that the documentation from the earlier phases of the software evaluation was also very useful at this point: "The RFIs provided a snapshot of what the company truly needed. We could then take these requirements to our vendor and leverage them: 'Listen—here's a list of our evaluated priorities. We've identified some gaps between what we need and what we are able to get out of your system. Now, what can you do to address that?' This was extremely valuable for us."

The vendor's response was very positive. In addition to offering the BI solution at a "very reasonable cost—especially compared to other BI providers," the vendor offered one complimentary week of training to all of SuperPharm's 70 users, as well as development resources toward customizing the solution to meet the company's needs even more closely. "Our legacy system vendor was very cooperative and supportive," affirms Sobrian. "The good relations we had with the vendor's support team, and the intervention of the president of the company, were also compelling reasons to stay with our legacy system and pursue the enhancements rather than taking the risk of changing the system—and having to deal with further cost and disruption to our growing operation."

Speed at the Expense of Efficiency? Not Any More

SuperPharm's RFI also provided insight into how the company had been using the system before—and why that wasn't working in the way that the company wanted. "We realized that several functionalities we needed were available in the legacy system, but were not producing the desired results for three reasons: we had had insufficient training before, during, and after the initial implementation; the implementation had not quite been completed; and we were not managing the system properly—we were dealing with incomplete data fields and inconsistent compliance with required systems and procedures."

The reasons cited above are attributable, according to Sobrian, to the company's desire to rapidly get the first store open—speed, perhaps at the expense of efficiency.

But all that is now in the past, as SuperPharm catches up on the functionality it was missing out on and optimizes its use of the retail POS, ERP, and BI systems.

"At the end of the day, we realized a lot of value from our software selection project with TEC," Sobrian sums up. "The TEC methodology and RFIs allowed us to comprehensively and objectively evaluate new systems as well as our existing legacy system. Without TEC, we might never have discovered that our legacy system had the capabilities to meet our needs, and we would have gone through needless expense selecting and implementing another solution."

Technology Evaluation Centers Inc.
740 St. Maurice, 4th Floor
Montreal, Quebec
Canada, H3C 1L5

Phone: +1 514-954-3665, ext. 404
Toll-free: 1-800-496-1303
Fax: +1 514-954-9739
E-mail: selectionservices@tec-centers.com
Web site: www.technologyevaluation.com