

A POS System That's the Perfect Fit

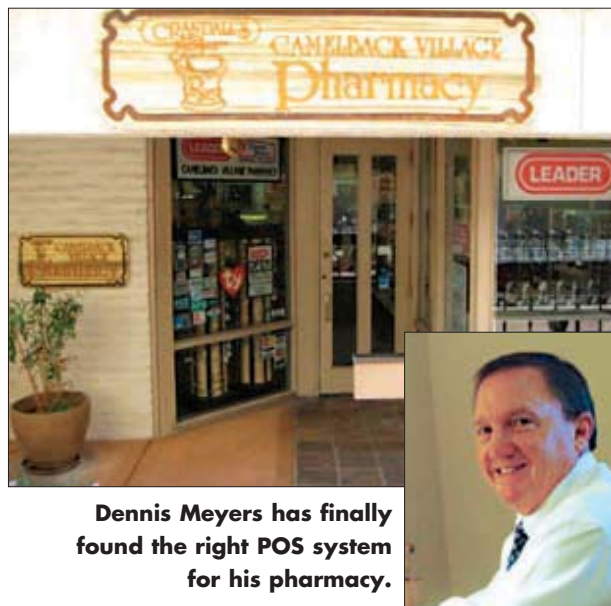
by Maggie Lockwood

There are tasks in a busy pharmacy that, while vital to the business plan, need to be as simple as possible to implement or they don't happen.

For Dennis Meyers, owner of Camelback Village Pharmacy in Phoenix, Ariz., previous experience with two point-of-sale (POS) systems made him wary of anything that was too complicated. He wanted the benefit of an automated inventory management system, but it had to be easy to use. The 3,400-square-foot Camelback, with \$4.5 million in annual sales, is a full-service community pharmacy with a post office, large Hallmark section, compounding services, and prescription delivery. The 20 staff members, including five full-time employees, don't necessarily have time to canvas the front end of the store to check on inventory, nor can they handle inputting inventory into a POS system that, as in the case of one of the POS systems Meyers tried, was a multistep and cumbersome process.

"Adding OTC items to the database was unwieldy," recalls Meyers. "There were all these steps and dozens of windows to go through. We did a few items and we finally gave up."

Although his previous two POS systems hadn't delivered as Meyers had hoped, he still believed POS was a worthwhile investment for Camelback. A year ago, Meyers spent time at the ECRS booth



Dennis Meyers has finally found the right POS system for his pharmacy.

during the Cardinal trade show. The first thing he looked at was how to add an item to the POS system.

"It was so simple. You scan the bar code, type in a description, and then indicate how you want to reorder it," Meyers says. Once the items are loaded into the POS, the automated replenishment

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system tracks when items need to be reordered, a time-saver from the manual labor required to check the shelves of the front end of the pharmacy and see what's moving, or what's not. Meyers doesn't even really think about reordering now. With a few clicks, he says, his OTC order is placed twice a week.

"From day one it didn't require hours of deciding what to do with inventory, having to figure out how many we sold, or how many we need to reorder," he says.

The Hallmark card department is a perfect example of the importance of an automated front end. After downloading the entire Hallmark file from the card company's Web site into the Catapult system, the cashiers now just scan the cards during checkout.

There are no price increases with the greeting cards, so after the initial file download only new products are added. Camelback staff restock by sending reorder tickets to Hallmark. The one-to-two week turnaround is fine for greeting card inventory control. "What really makes us happy is the speed of greeting card checkout with Catapult," explains Meyers.

His HBS pharmacy management system has a wonderful interface with ECRS, he says, a fact that has made it easier to take advantage of everything ECRS has to offer, including signature capture, monthly statements for house accounts, and barcode scanning.



The POS system will help maintain proper inventory levels on Camelback Pharmacy shelves.

"The beauty of this whole POS system is how well it integrates with the HBS system. You can pull up a prescription at the register and look at it in detail. Also, the POS tracks the prescriptions, so if a customer has a prescription pending, the cashier can see this at checkout."

Meyers also praises the ease with which Catapult generates purchase orders. Meyers says a PO can be generated in two to three seconds. From the Catapult screen he selects "inventory items," "worksheets," "create purchase order," "Cardinal," and "apply filter." At this point he can modify the order if necessary and print it if desired, then hits "submit" and he's done.

If the store closes at 7 p.m., the staff member who reviews the order and approves it, sends it electronically to Cardinal. The order is delivered the next day at 8 a.m.

The Power of Min/Max Ordering

With the inventory management running well, the next step will be the min/max reorder process, which Meyers says requires some staff hours to decide at what level to order his OTC items. For example, Meyers wants to keep at least six bottles of Tylenol on the shelf, but never more than 12 bottles at a time. When these details are entered into the min/max system it will know if eight bottles of the 12 are sold. It will order eight more to reach the threshold, though never more than 12 bottles. With overnight delivery from Cardinal,

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Meyers says he doesn't have a stockroom, making the precision of the min/max ordering even more important.

"When we submit an order through the system, it will look for min/max and replenishment, and it will know what we've sold," Meyers says. "It's important to reorder what's selling, and this is a simple solution to automate the front end of the pharmacy."

Meyers describes the Supplier Integration Server (SIS) solution from ECRS and Cardinal as "fantastic." SIS updates prices and prints a sheet on what items have gone up in price. Meyers says the next step for Camelback is to print shelf labels so that the staff

With Meyers' POS system in place, he feels he's on a level playing field with the chains, now that Camelback Pharmacy can take FSA cards.

doesn't have to create the price stickers.

"If business wasn't so good," jokes Meyers, "these things would be done by now."

Ready for IIAS

As the Jan. 1, 2009, deadline looms for the IIAS and FSA cards, Meyers has gone through the SIGIS certification process and is confident he'll be ready to go by early December. His advice to pharmacists is to not be intimidated by the process.

"It's going to be fantastic. I'm marketing my FSA service now to my customers and I expect to see a dramatic increase in my OTC sales. They are not going to want to buy an OTC item at a chain if they can buy it from me and put it on their FSA card," says Meyers.

Meyers' POS vendor was very helpful during the certification process, and Meyers did upgrade to a new version of Catapult and switched credit-card processors. While it took a couple of hours of his time to get the paperwork done, Meyers says it was worth the effort.

"What I've seen already is it's so easy to target people who are paying for products now. My staff knows to tell them that, beginning next year, they will be able to purchase the items using an FSA

card and they won't have to keep a record," Meyers says.

The POS system will let Meyers' staff split OTC items up, doing one sale for the FSA items and another sale for the non-FSA items. Another perk: these are debit-card accounts, meaning that Meyers pays a flat fee per transaction and gets payment immediately.

"Because my pharmacy is in an affluent, well-educated area, a lot of customers are trying to protect their dollars from being taxed," he says. "With the FSA cards, the customer gets the benefit right now, rather than submitting the paperwork at the end of the year."

Down the Road

After several tries, Meyers is satisfied with his POS system and is looking forward to implementing the min/max reorder system and then, in the next six months, a loyalty card program. The ease of using the system has been key. For Meyers, the POS is finally working the way he wants it, from inventory management to being ready to handle FSA cards.

As an independent in the fifth largest city in the U.S., Meyers knows he faces a lot of competition. With his POS system in place, he feels he's on a level playing field with the chains, now that he can take FSA cards. "I think we can do this better because we can communicate with our customers," he says. **CT**



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