

Vocollect Case Study

Harvard Drug Group

Striving everyday to provide affordable brand and generic pharmaceuticals



Voice Results

Objectives

- Comply with state and federal mandated Pedigree laws by upgrading to an automated WMS powered by Vocollect Voice®

Application

- Order Selection

Installation

- Vocollect Voice seamlessly integrated with Manhattan Associates WMS
- Vocollect Talkman® T2 mobile computing devices

Results

- Secured ability to validate product lots and expiration dates to comply with Pedigree mandates
- Improved order accuracy to meet mandate of signing legal oaths that verify each order is correct
- Achieved full-order selection levels right after 'go-live' with Vocollect Voice; processed orders within two-hour window to meet 'just-in-time' customer demand and maintain competitive edge
- Increased productivity and throughput while adding time-consuming lot validation function into ordering process.

ROI

- Immediate payback due to meeting of mandates

Future Plans

- Expand Vocollect Voice to other DCs

How Vocollect Voice Helps Harvard Drug Comply with Pedigree Laws and Stay in Business

The Harvard Drug Group LLC, headquartered in Livonia, Michigan, is uniquely positioned as the only combination generic drug/consumer products distributor and drug wholesaler. The Harvard Drug Group LLC supplies Rx brands, generics and consumer products to retail, medical professionals and managed care providers as their primary and/or secondary supplier. As states have strengthened protections against the growing problem of counterfeit drugs. Among the measures, they implemented regulations that require drug distributors to provide electronic 'track and trace' of the chain of custody of drug products - the Pedigree.

For The Harvard Drug Group LLC, managing and authenticating these documents is serious business. Pedigree laws demand a paper trail on drug pedigrees and the company is responsible for creating that trail – and signing oaths that all the information in the Pedigree is accurate. Working with Manhattan Associates, the provider of its WMS, The Harvard Drug Group LLC implemented Vocollect Voice to meet the state and federal mandates, and stay in business; not to mention, driving efficiencies in its supply chain and help provide its customers with the power of competitive pricing, fast delivery and exemplary service.

The Challenge Meet Mandates and Exceed Customer Demand

The Harvard Drug Group LLC faced two challenges - complying with Pedigree laws and meeting the mandates of its customers - offering high fill rates with no monthly volume requirement. The Harvard Drug Group LLC customers count on a low up-charge and next-day or Saturday delivery.

Dale Swoffer, Senior VP Information Technology/CIO for The Harvard Drug Group LLC, admits that when these two mandates converged, there were serious concerns that they could keep up with order demand while complying with mandates.

"When considering Vocollect Voice we didn't do an ROI analysis, because we were operating under a mandate," said Swoffer. "We had no choice. We needed the ability to validate our lots and expiration dates to comply with the Pedigree laws. The bottom line was that we just had to make it work or we'd be out of business, period."

The only other option, according to Swoffer, would have been to tag every product bottle with a unique LPN (license product number) and then use barcode scanners to select the orders.

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Dale Swoffer
Senior VP IT/CIO
The Harvard Drug
Group LLC

"We were using RF technology in one facility and paper-based pick lists in the other facility. With these restrictions, we'd have to physically type in the LPN. To meet demand, we have a two-hour window from the time the order is received to the time it's shipped. We realized that with our short order-processing window, coupled with the process needed to meet mandates, we'd never make our trucks."

The Solution

Vocollect Voice Is Only Viable Option

The Harvard Drug Group LLC turned to Manhattan Associates, developers of its WMS, for a solution. Based on its recommendation, the company decided to implement Vocollect Voice in its San Diego, Calif. and Livonia, Mich. distribution centers.

"We did consider another voice system, but it wouldn't work with our WMS," explained Swoffer. "Besides, we felt more secure because of Manhattan Associates' close partnership with Vocollect, this sealed the deal. We achieved 100% payback on Vocollect Voice on day one; without it, because we operate under mandated Pedigree laws, we'd have been out of business."

As a result of its close partnership with Vocollect, Manhattan Associates developed and offered Vocollect Voice with an integrated and real-time direct interface with its WMS. The Manhattan Associates' WMS and Vocollect Talkman mobile computing devices communicate directly via the 802.11b RF backbone in the DC. No middleware software is required.

Today, the San Diego facility, comprised of approximately 25,000 square feet, runs one shift and ships approximately 600 lines per night with five workers utilizing voice. The Michigan facility, which is 70,000 square feet, runs 24 hours a day and ships approximately 15,000 lines per night with over 30 workers using voice.

According to Swoffer, "At first, no one likes change. But our workers did like the fact that the company invested money in their jobs. They like Vocollect Voice because it

helps them do their jobs better. Morale is definitely up." But even if the workers had experienced challenges, Swoffer wouldn't have been concerned, due to the professionalism of the support staff. "Vocollect's implementation and support staff are second-to-none. In both sites, we worked 20-hour days, seven days a week for two weeks to get this done. Vocollect and Manhattan Associates were with us every step of the way. We achieved full-order selection levels right after 'go-live,' which was a huge measure of success," said Swoffer. "We couldn't do business without voice. It was our only viable option."

The Results

Voice Meets Requirements from Mandates and Customers

Aside from complying with Pedigree mandates, increased productivity and throughput are the main benefits the company realized with Vocollect Voice. "Because we had to add the lot validation step into our process, we had to ensure we kept the same amount of throughput even though we added a very time-consuming function into the mix," said Swoffer. "We also improved order accuracy, in fact, we're mandated to sign legal oaths to validate each order is correct."

Productivity is especially important because the pharmacy industry has 'just-in-time' ordering, meaning customers order the day before they need the products for their patients. "We're a secondary supplier," Swoffer explained, "So if the primary supplier doesn't have an item, then customers will come to us to provide it. And if we can fill that order quickly, then they'll come to us first the next time around. Vocollect Voice gives us a clear competitive edge and that's why we will also expand it to our Indianapolis-based DC."

"Without Vocollect Voice, we wouldn't have been able to get our products out within the two-hour ordering window, we simply couldn't validate our lots in enough time," concludes Swoffer. "Vocollect Voice was the only viable means to meet the federal and state mandates and from our customers. That's really the only metric we needed."



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About Vocollect

Vocollect, a business unit of Intermec, is the number one provider of voice solutions for mobile workers worldwide, helping customers achieve a higher level of business performance through voice. Every day Vocollect enables over 300,000 workers worldwide to distribute more than \$3.5 billion dollars' worth of goods from distribution centers and warehouses to customer locations. A global team of over 2,000 supply chain reseller and channel partner experts supports Vocollect Voice offerings in 60 countries and in over 35 languages. Vocollect's VoiceWorld Suite integrates with all major WMS and ERP systems, including SAP, and supports the industry's leading mobile device solutions.

For more information, visit www.vocollect.com