

Smith Drug Company

Keeping the Tradition of Pharmacy

Voice Results

Objectives

- Improve productivity and accuracy
- Eliminate paper-based inventory management system
- Enhance employee recruitment and retention

Application

- Order Selection

Installation

- Vocollect Talkman® T2 mobile computing devices
- Vocollect SR Series™ Headsets

Results

- Productivity increased by 20%
- 99.99% order accuracy achieved
- Eliminated quality assurance (QA) personnel from over-the-counter area; overall QA staff reduced by 75%
- Improved on-time deliveries, eliminating need for overtime
- Training time reduced by over 50% from two weeks to three days
- Enabled the creation of an incentive program to increase employee morale and retention

ROI

- Payback achieved in just over 6 months

Voice-Directed

Distribution™ is the Right Prescription for Smith Drug Company

Seventy-five years ago, pharmacist James M. Smith, Sr. founded Smith Drug Store, which grew to 16 successful Southeastern pharmacies. In 1944, Smith established Smith Drug Company after divesting his interest in the pharmacies he had founded from 1925 through the late 1930s.

Jim Smith, Jr.'s passion for both pharmacy and technology led him to create several companies based on the pharmacy industry, including QS/1 Data Systems and Smith Data Processing. The family of products continues to grow under the umbrella of the J M Smith Corporation.

Today, the J M Smith Corporation is South Carolina's 6th largest privately held company. Smith Drug Company serves over 1000 pharmacies in South Carolina, North Carolina, Georgia, Florida, Tennessee, Virginia, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Kentucky and Texas. With an averaged annual growth rate of over 35%, Smith Drug is passionate about wanting to meet and exceed customer expectations. With Voice-Directed Distribution™, Smith Drug is not only satisfying its customers, but also building a competitive advantage over its business rivals.

The Challenge

Enhance Productivity and Service to Meet the Demands of Rapid Growth

With three strategically located distribution centers providing service to 18 Southeastern states, Randy McConnell, Director of Information Systems, was concerned about the ability to sustain productivity and performance amid rapid growth.

"Before Vocollect, we had errors even after a verification bar code scan. In a week's time, we would have thousands of dollars of customer-reported errors. Errors in picking pharmaceuticals are very expensive, running anywhere from a dollar or two up to \$10,000, and the profit margin for a distribution center is razor-thin. It doesn't take too many \$10,000 bottles lost to eat up profits."

"It was obvious that we had to move fulfillment away from a paper system," said McConnell. "That was holding us back, keeping us from reaching the kind of productivity and service goals we knew we were capable of, goals we had to achieve to continue to be successful," he added.

"I asked for a 20% increase in productivity with an accuracy rate of 99.99%, and that was easily obtainable. Now we are averaging over 80,000 units a day from our warehouses, and realized ROI in just over six months."



Randy McConnell
Director of Information Systems
Smith Drug Company

The Solution

Voice-Directed Distribution Is the Way To Work

Initially, Smith Drug maintained its paper system side-by-side with Voice-Directed Distribution. After a short time, however, it made the transition to Voice-Directed Distribution alone as that is how they determined they wanted to work.

Voice-Directed Distribution facilitates the coordination of assignments and exceptions and includes an interface through VoiceLink™, Vocollect's voice interface software, to Smith Drug's mainframe. The assignments are converted into speech, which are then relayed to the workers via Vocollect SR® headsets equipped with microphones.

"Now we have over 130 people on Voice-Directed Distribution," said McConnell. "Most of our picking is done at night on a second shift because, after the stores close at night, they phone their orders into us and that automatically goes to VoiceLink from our mainframe. When our people come in, each is assigned to a particular area and, when they sign onto the system, it tells them where and what to pick."

McConnell indicated that employees were initially worried about learning a new system, but any initial misgivings were replaced with excitement about using the new technology.

"Our people loved the paper," laughed McConnell, "but now they would rather have voice than any other system. They are really enjoying this. It's so easy to use. In a few minutes, you can have somebody trained, and it's completely hands-free. The transition to a voice-based system was practically flawless."

The Results

Before and After ROI Comparison Leaves No Regrets

"With Voice-Directed Distribution, we've reached a whole new level of accuracy and accountability. For example, initially, we had only one case that got on the wrong truck, and that's out of 7,000 cases a day. You can't beat that," concluded McConnell.

He also noted that Voice-Directed Distribution has been effective in helping Smith Drug recruit and retain new employees.

"This is another value-add where Voice-Directed Distribution has made a big difference. You don't need any special technical skills to be able to use the system and makes it easier for us to attract employees and keep them on board."

Replied McConnell, "I'm extremely satisfied with our results on the distribution side. When you don't send out errors, that means a lot to our customers and to our business."



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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