

SuperPharm Limited

A Healthy Start:

VAI Designs Retail POS and ERP System for Trinidad-based Drug Store Chain

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Situation

Summary

Building a business from the ground up is no small undertaking, especially when the established goal is to create the first national chain of retail super stores. Ambitious—yes—but, with the help of professional industry consultants, this is certainly not an impossible undertaking.

The need for expert advice amplifies when local corporate models are essentially non-existent. In a scenario such as this, a professional enterprise resource planning (ERP) firm is integral to providing guidance in the development of back-end processes and procedures to complement daily store-level operations. As SuperPharm Limited embarked on the difficult journey of building a healthy business, it knew that a centralized management structure would be critical to its success. SuperPharm understood that only an ERP package capable of handling the inventory management and control, decentralized ordering, accounts payable and retail point-of-sale (POS) for multiple locations, plus a centralized warehouse, would do the job—and do it well.

Customer Profile

SuperPharm Limited is the first retail pharmacy chain headquartered on the island of Trinidad in the West Indies. SuperPharm's stores, in terms of size, layout, range of items and services, are modeled after U.S. pharmacies such as Walgreens and CVS. The stores offer prescriptions, personal care products, household items and general merchandise.

SuperPharm currently operates five stores with a sixth scheduled to open in March 2008. Future expansion plans call for operating up to 20 stores in Trinidad and Tobago and possibly opening stores on other islands in the region.

Problem

Context

To prepare for its first store opening in September 2005, SuperPharm collaborated with VAI (Vormittag Associates, Inc.) to develop a customized ERP and POS solution that delivered comprehensive inventory management, ordering processing and accounts payable capabilities.

Given that VAI is a U.S.-based company, some specific modifications to its software were required to handle the island's local taxation regime. Trinidad and Tobago operate under a Value Added Tax, which is much different from taxes applied in the U.S. This required alterations to the POS system, specifically, allowing for specialized computations in order to tax items properly. In addition, changes to the POS prevented cashiers from changing the quantity of items sold at point of sale.

Objectives

SuperPharm's focus was to establish a healthy business from the moment the doors opened. It was critical to have a functional, comprehensive and integrated POS, inventory management, purchasing and accounts payable ERP system in place. Since SuperPharm was a new business, this task was complicated by the lack of existing procedures. Therefore, it was essential to consult with a software developer that also understood industry best practices.

Solution Overview

Customer Profile

SuperPharm, LLC is the first retail pharmacy chain on the island of Trinidad in the West Indies

Objectives

SuperPharm opened its first store in September 2005 and its focus was to establish a healthy business. As such, it was critical to have a functional, comprehensive and integrated POS, inventory management, purchasing and accounts payable ERP system in place

It was essential that the software vendor possess a comprehensive knowledge of industry best practices

The ERP solution needed to accurately handle local tax requirements

Solution

- S2K Enterprise for Retail

Third Party Tools

- IBM System i

Benefits

Leveraging the power of the System i platform and the functionalities of S2K for Retail to provide users with the tools, reports, queries and information needed to do their jobs effectively and efficiently

The ability to implement an aggressive growth strategy

Finding the Right Partner

VAI possessed the right blend of software expertise and knowledge of retail industry protocol to provide SuperPharm with the guidance it needed to build a strong base for its business. "We literally had to create the business from scratch and needed consultants, both local and foreign, to help guide us. IBM referred us to VAI initially because we needed a package that would work on the System i platform, and VAI fit the bill," said SuperPharm's CFO, Christian Anderson. "However, VAI's true value revealed itself during the implementation process, where we faced a number of challenges. We had to create divisions and classes of inventory, develop and download inventory data, modify this data with the correct price and description, train staff with limited computer knowledge, and finally, test the system. VAI's thorough understanding of key business operations helped us to establish best practice policies and procedures to ensure proper control and management of the business."

Solution

Process

VAI customized and installed its S2K for Retail package after evaluating all of SuperPharm's enterprise management needs. Every aspect of the implementation presented technological challenges, which had to be adapted to suit SuperPharm's business. These challenges included hardware used for the POS system, the scanners, shelf tag printers, business printers, PCs and laptops. Since SuperPharm had no model to follow, the IT infrastructure was created using standard industry knowledge and educated decision making. Almost every project required hours of planning, testing and implementation to get the hardware and software to work properly.

VAI worked with SuperPharm to ensure that this package met the company's primary ERP requirements in one comprehensive solution. VAI's software provides accurate inventory counts, real-time financial information, and integrated purchasing and distribution capabilities. The POS imparts management with a clear view of sales drilled down to the specific store level, which is an essential component to allowing clear decision-making for the business as a whole.

Considering the enormity of the project, it only required eight months to implement, due to VAI's extensive understanding of the retail industry as a whole. VAI Project Director Claudio Gallina commented, "SuperPharm was an exciting undertaking for VAI, because we knew that it presented an opportunity to help a business apply a comprehensive solution with full visibility of all primary business operations, which are instrumental in the success or failure of any business. We are pleased that SuperPharm allowed VAI to provide the essential groundwork to developing its business and multiplying its earnings."

Using the Solution to Solve the Problem

The ERP implementation has provided SuperPharm with a solid foundation on which to aggressively build its business. Increasing the company's market presence in the Caribbean as a whole is an ambitious goal for a new company, but S2K for retail has provided SuperPharm with the tools needed to do just that.

Evaluation

Results and Benefits

Leveraging the power of the System i platform and the functionalities of VAI's software to provide users with the tools, reports, queries and information dash boards needed to do their jobs effectively and efficiently has been a major benefit of using S2K for Retail.

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Christian Anderson.
CFO
SuperPharm

Customer Quote

According to Christian Anderson, "This project established the capabilities we needed to grow our business aggressively. Notably, we will have opened six stores in three years, but even more impressive is that we have the capability to continue this push to increase our presence in the region. With VAI's knowledge and support, we are confident in our ability to respond to the evolving needs of our growing company."

For More Information

For more information about VAI products and services, call VAI at 1.800.824.7776 or email sales@vai.net. To access information using the World Wide Web, go to www.vai.net.