

# Just what the **PR** ordered

*Money-saving tools help USA Drug Stores get inventory under control*

**T**racking inventory is important for any company that deals with material goods (and even those that simply want to make sure they have enough paperclips around the office). This may be most crucial for retailers, because empty

shelves mean unhappy customers and, therefore, no sales. Conversely, if retailers have too much stock on hand, they're likely going to have to eat the overage. In either case, poor inventory tracking can result in ailing finances.

By Jim Utsler



Trey Sapp, director of IT, says a low-cost software solution has eased inventory management for USA Drug Stores.

Many retail-oriented software packages have inventory tools built in, but they might be prohibitively expensive for some organizations, particularly small to mid-sized ones. Instead, small organizations may have to take a piecemeal approach to deploying less expensive alternatives, including one application on one server and another—or a related database—on a different server, with some sort of rudimentary querying tool tying the two together.

One company that faced that issue is USA Drug Stores, a subsidiary of Stephen L. LaFrance Pharmacy. It had been using a large retail package by a well-known vendor that had suspended development on the software and was taking USA Drug Stores nowhere. So, the retailer decided to implement a simpler, dedicated inventory-management application on a PC server. The problem: It didn't interface well with the company's back-end IBM Power\* 520 Express.

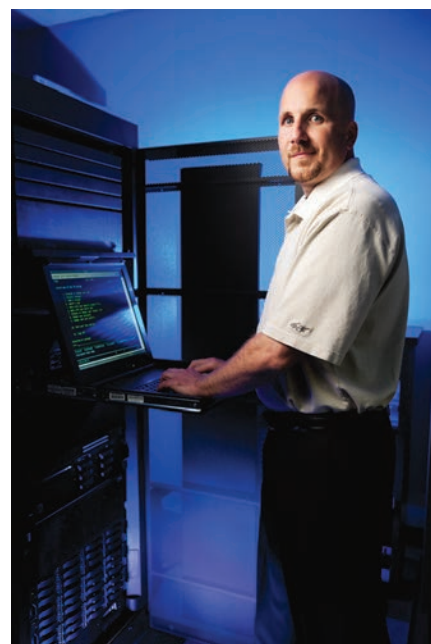
After some research, the company found two possible interface-connectivity

solutions. One cost around \$90,000, putting it out of reach. The other, from ProData Computer Services, cost less than \$5,000 and included much of its rival's advanced functionality. Trey Sapp, director of IT with USA Drug Stores, says, "This proves you don't have to spend a lot of money to get what you need."

#### A Centralized Role

Based in Little Rock, Ark., USA Drug Stores is part of the decades-old Stephen L. LaFrance Pharmacy. Over the years, that parent company has grown tremendously, in large part due to acquisitions, including of USA Drug Stores, which opened its first store in 1984. Now, the USA Drug Stores family of stores includes Super D Drugs, May's Drug Stores, Drug Warehouse, Med-X Drugs and Ike's Discount, as well as several drug stores that have kept their original names after being acquired.

Together, they



form a network of around 155 stores in Oklahoma, Tennessee, Mississippi, Missouri and Arkansas.

LaFrance Pharmacy has also grown thanks to the establishment of SAJ Distributors in the mid-1970s. This arm of the company offers a variety of health, beauty and general-merchandise items to grocery, drug and discount stores. In 1986, LaFrance Pharmacy broadened its business even more by forming Select Brand Distributors, which offers its own line of brand-alternative items that now total more than 650. Select Brand goods are sold not only at some LaFrance stores, such as USA Drug Stores, Super D and Ike's, but also at thousands of other retail stores around the U.S.

USA Drug Stores' use of the 520 Express (upgraded from a System i\* server in July) goes back to its acquisition of May's around six years ago. At that time, May's had some 40 stores and a large warehouse all running on Power Systems\* servers. Wanting to consolidate the workload of the entire company, USA Drug Stores decided to move to that platform, seeing it as a proven and valuable foundation for future growth. "All of our items are purchased through the Power\* system, and all of our sales are reported to the Power system. So, it's assumed a very centralized role for us," Sapp says.

#### Different Ways, Different Things

Prior to moving to its current application infrastructure, the company used a third-party retail package designed for pharmacies. But the developers of that application had allowed it to languish, and, as Sapp says, "It wasn't going to meet all of our needs going forward." That's when USA Drug Stores began looking for a more robust point-of-sale application. It found that solution in LOC Software's Store Management Suite, which lets the company easily handle most selling, discounting, coupon and correction functions, as well as many others.

The 60 or so stores currently using LOC's software also use handheld scanning devices that enable inventory queries. From USA Drug Stores' point of view, this is a boon, because those stores can now know exactly what they have in stock. The sticking point, however, was that

LOC used its own relational database that didn't interface with the Power Systems server, which runs its own database that contains all inventory information, including what's in the company's warehouse, what's on order, etc. Tying the information from those two databases, including what the stores have in stock and what's available in the warehouse, would be invaluable.

"All of the stores have Power Systems emulation," Sapp says, "so a lot of the inventory information was already available to them."

But we wanted to make everything work together, in concert, so people wouldn't have to look here for this and look there for that. I mean, why support three different ways of doing things? It just made sense to consolidate everything, whether it's coming from us or the stores."

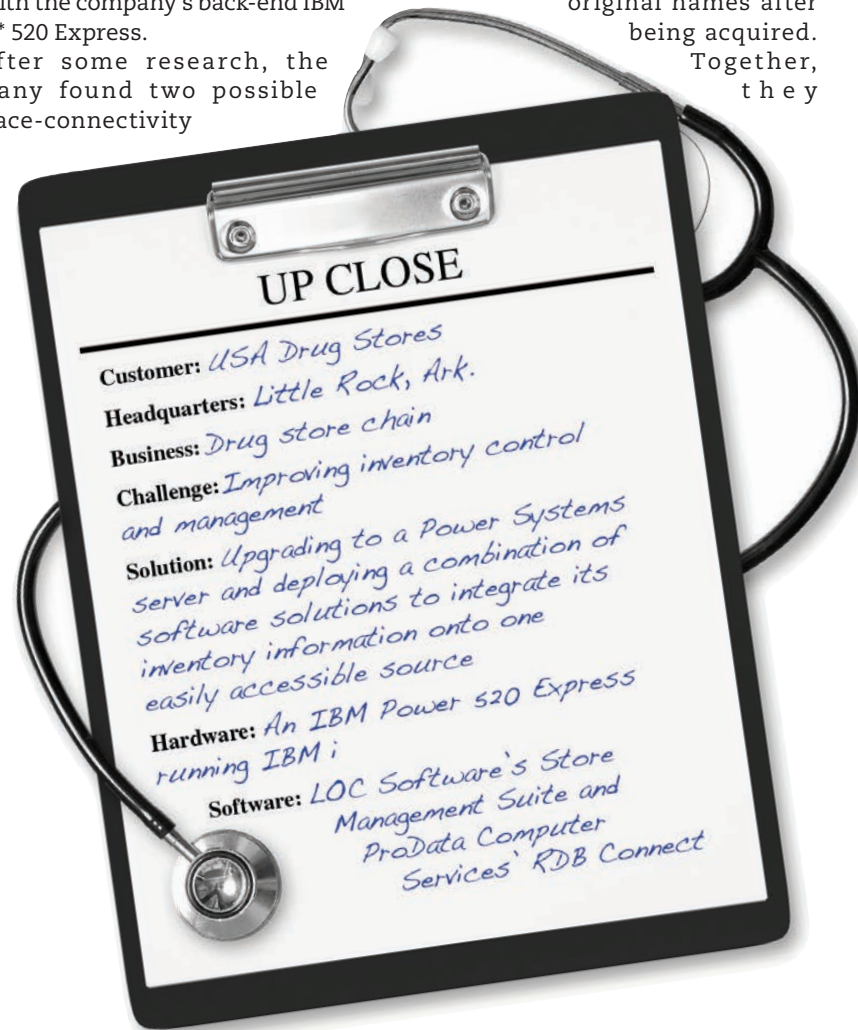
The company's first attempt at this involved Microsoft\* SQL servers, which provided some integration between the

LOC server, store-based SQL servers and the Power Systems server. But the company found this solution lacking, in large part because of what it perceived as the difficulty working with SQL. Wilson Jones, a consultant who works closely with USA Drug Stores, puts it bluntly: "SQL sucks. I know it, and other IS managers know it, too."

#### Significant Savings

So the company began searching for a package that would bridge the gap more efficiently. Its first bid came back with that \$90,000-plus price tag—off the table for this mid-sized company. After more intensive searching, USA Drug Stores found ProData and its RDB Connect.

"When Wilson put the invoice on my desk, I asked, 'Is that all?' He just said, 'Yep. It connects those two pieces together and should just get a rubber stamp,'" Sapp recalls. "And he was right. It had everything we needed at a price point that was more than acceptable. It saved us a significant amount of money."





## “The Power Systems server is the one thing that holds everything together. We don’t see that changing.”

—Trey Sapp, director of IT, USA Drug Stores

Not only that, but the ProData solution was easy to deploy, with the product installed and ready to be tested, according to Jones, “in about a day.” And with Jones helming the project with the assistance of a few contractors and some support from ProData, everything was up and running in early 2008. “Anything in the IT world can be painful,” Sapp says, “but this wasn’t one of them.”

Thanks to this switch to RDB Connect, the USA Drug Stores now has much more visibility when it comes to inventory, from both the corporate and storefront sides. This is especially true with the combination of LOC, the handheld scanning devices and the back-end Power Systems data. Although Sapp doesn’t have any concrete ROI numbers, he points to the ease with which



everyone can track inventory levels, with those levels now having dropped significantly at the company’s stores.

“This easy integration of information has helped our stores keep their inventories in check and not go out of stock. They can more rapidly figure out what they have and what they need without having to do a lot of calling around to the warehouse or the headquarters. That information is now all in one place, which has helped us implement our subsequent automatic reordering system,” Sapp says.

### **Holding Everything Together**

As any retailer can attest, having tight inventory-control and -management systems in place is crucial to running a fiscally responsible organization.

The hard part, however, is finding the proper solution to allow for that. Thankfully, USA Drug Stores found that solution using a combination of tools, including those from LOC, ProData and IBM, in the form of the company’s core Power Systems technology.

“We struggled because of all of the different systems we had out there, all of our acquisitions, the SQL servers. We knew that—and we’re still working on it—but the Power Systems server is the one thing that holds everything together. We don’t see that changing in the foreseeable future,” Sapp says. □



**Jim Utsler, IBM**  
*Systems Magazine*  
senior writer, has been covering technology for nearly 20 years.