

COMPANY: SMITH DRUG COMPANY
INDUSTRY: PHARMACEUTICALS DISTRIBUTION

VOICE-POWERED RESULTS: OBJECTIVES

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

RESULTS

- /// Productivity improved by 20% (star selectors can pick 1,000+ pieces per hour).
- /// 99.99% order accuracy achieved.
- /// Eliminated quality assurance (QA) personnel from over-the-counter area; overall QA staff reduced from 17 to 5.
- /// Improved on-time deliveries, eliminating need for overtime.
- /// Training time reduced from two weeks to three days.
- /// Enabled a new incentive program, increasing employee morale and retention.

ROI

- /// Achieved payback in just over six months.

FUTURE IMPROVEMENTS

- /// Utilize Voice-Directed Distribution for stock replacement, receiving, and case selection.

"I asked for a 20% increase in productivity with an accuracy rate of 99.99%, and that was easily obtainable. Now we are averaging about 80,000 units a day from our warehouses. I purchased this system just over six months ago, and I've already gotten my return on my investment."

Randy McConnell
Director of Information Systems
Smith Drug Company



Voice-Directed Distribution™ Is the Right Prescription For Smith Drug Company

Smith Drug Company, headquartered in Spartanburg, South Carolina, is a full-line, full-service distributor of pharmaceuticals and over-the-counter merchandise serving more than 2,000 independent drug stores in 13 states. 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 two distribution centers in South Carolina and Arkansas, Smith Drug services independent drug stores in 13 southeastern states. Randy McConnell, Director of Information Systems, was concerned about the ability to sustain productivity and performance amid such 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 like ours 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.

THE SOLUTION:

Voice-Directed Distribution Is the Way To Work

Initially, explained McConnell, 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. Randy said, "Yes, that's the way I want it to work."

"Our people loved the paper, but now they would rather have voice than any other system. They are really enjoying this. It's so easy to use."

Randy McConnell
Director of Information Systems
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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 about 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 RESULT:

Before and After ROI Comparison Leaves No Regrets

"With Voice-Directed Distribution, we've reached a whole new level of accuracy and accountability. In the last month, for example, 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. As far as I'm concerned, I purchased this system just over six months ago, and I've already gotten my return on investment."



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