



# Quest Solution's Rochester Drug Co. Application Study



Empower Your Workforce

## 100 Year Old RDC Vaults forward with 21st Century Technology

### Quest Solution Shows them the Way

Founded in 1905, upstate New York's Rochester Drug Company has prospered as a wholesaler by always putting the customer first. Since the beginning RDC has supplied independent pharmacies with the products they sell at retail: prescription drugs, over-the-counter products, and a range of home health care items. The company has grown and succeeded by always providing Customer Service first and foremost. From the outset RDC was organized as a Co-Op. Today the company is owned by 174 stockholders, all of whom are pharmacists that own independent outlets of their own.

RDC feels that it serves a demanding demographic within the retail pharmacy segment: The Pharmacist – Owner – Entrepreneur. To be effective with this customer base the company has developed a corporate culture of personal service. Although 95% of incoming orders are received electronically, live Account Reps are always available to handle customer care for any company that trades with RDC. And technology has always been a priority for helping to make re-orders fast, easy, and error free.

### **The New PRO WEB Strengthens RDC's Business Case – As it Contributes to the Bottom Line**

RDC enjoys an overall customer base of some 850 or more independent retail pharmacy companies. Many of these have multiple outlets. The distributor books roughly 80% of its annual business with approximately 300 of these. The others are either small outlets or they only use RDC as a back-up or secondary supplier. It is these 300 top performing accounts that will receive the new PRO MOBILE solution.

Since the late 1990's independent pharmacies have been making a real comeback against the market share of the large, nation wide chains. These smaller operations are more responsive to the local customers they serve. Not only is customer service maintained at a higher level but the Indy's usually have more neighborhood awareness and hands-on customer interaction than their larger competitors.

### **The Entrepreneurial Spirit**

To keep up that level of success both the distributor and its customers need the best tools available. The

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## RDC has a History of Innovating through Technology

In 2009 RDC enjoyed top-line sales growth of 12.7%, as compared to the industry average of just 1.9% that same year. They did it partly through Customer Service, of course, but the impact of that personalized service was multiplied by their use of technology. Since the 1960's the company has been developing in-house software to streamline the order entry process. The goal is to make it easier to do business with them than with competitors. An added bonus is that good software increased the capacity of a fixed number of administrators to handle volume. From that time to this RDC has looked for a technological edge over their competitors.

By 1977 the drug wholesaler was using early models of MSI brand mobile devices to collect inventory electronically and upload the information via acoustic MODEM over toll free phone lines when re-orders were needed. RDC has been leasing terminals and computer hardware to its customers ever since. Even though the early terminals used a manual 10-Key pad for data entry, they did allow pharmacies to quickly and accurately process routine re-orders and they allowed the wholesaler to get its orders electronically.

## The Constant Push to Do It Better

Having raised the bar on ease of order entry, RDC immediately set about trying to raise it even more. In 1997 the company rolled out its first software system for remote order entry. Called PROFILE®, the system ran on a 386 based P/C and required 4 Megabytes of RAM – leading edge specs at the time. Use of the PROFILE product involved having RDC

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new PRO MOBILE remote ordering system is just such a tool. Due to the advantages of barcode scanning vs key data entry the speed of ordering is way up. This lets more Lean & Mean independent staffs stay ahead of inventory turns without consuming excessive administrative labor. It also lets RDC enjoy increased sales and far lower operating costs for the new, more powerful remote ordering system. While sales are definitely up at RDC as a result of the ease of use of the new tool they can put in the hands of their customers, so is customer loyalty.

As the High Service Wholesaler in this segment RDC has been intimately involved with the price wars that cut heavily into the margins of their more mass-throughput oriented competitors. Their high levels of customer service do distinguish the company, though, and bolster its margin position. RDC has been using this advantage successfully

### Here's How RDC Put It

*"We are extremely happy with the solutions Quest has provided thus far. Intelligent product design, a great sales consulting experience, and solid hardware have contributed to a positive ROI in short time!"*

Al Emman,  
Director Marketing &  
Technology Initiatives,  
RDC

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staff actually travel to each retailer and apply shelf labels as necessary for pricing or Plan-O-Gram updates. Ordering was then done by store personnel after manually entering SKU's and Quantities.

In the days when RDC was printing up human readable shelf labels for its customers it added a Mod 10 Check Digit to the SKU to guard against errors when the number was keyed in to the old style terminals. All that changed when they brought Bar Code Scanning into the mix. By speeding up the data entry RDC found that it was suddenly receiving a larger number of orders with no real decrease in the number of items per order. That required a capacity increase for their software system, which resulted in PRO II® - a P/C based system that used internet communications. Then, in 2008, PRO WEB was introduced, offering customers remote web based software. Finally it was decided in late 2009 that a tool to augment the existing platform was needed. The PRO WEB® brand had been developed in 2007 and RDC was intent on keeping it on the cutting edge of features and utility.

### Quest Solution Meets a Very Sophisticated Prospect

In September, 2009, Quest Solution Senior Account Manager, Dan Pascucci, introduced his company to RDC. "Many times I have to teach clients about the benefits of mobile computing before I can sell them on it." Dan said when asked about his encounter with RDC. "In this case they understood the benefits of the process improvement, already. What I had to do this time was demonstrate how Quest could help achieve them."

To do that, Dan dealt with RDC's Director of Marketing and Technology Initiatives, Al Emmans. Quest Solution was able to offer reference accounts throughout retail distribution, as well as in other related commercial segments. Quest was also able to demonstrate a shelf available software product, with many working installations, that could already do much of what their new client was looking for in an additional tool to compliment PRO WEB. The Quest offering became Pro MOBILE. The deal was sealed when RDC's Lead Developer, Glenn Gross, began to exchange ideas with his counterpart at Quest, John Magnus. The two programmers were able to quickly understand what the distributor needed for modifications to the available product and what it would take for their new software consultant to deliver it.

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### Quest Solution Delivers

AI Emmans recognized that Quest stood out during the vendor selection process he conducted. His instincts were confirmed after he placed the order. "The installation was a snap." He said.

Quest worked with RDC to write and approve detailed specifications before any coding updates began. During the work the interrelationship between the two companies was open and in-depth, which made it strong and productive. Once the specs were set, Quest took 6 – 8 weeks to write the custom revisions and do off-line testing with their customer. Full Alpha Testing took approximately two weeks after that. Since the Alpha simulations worked flawlessly, the team went directly to a three week Beta Test with five live RDC customers. That process was as smooth as the rest of the development had been and the new PRO MOBILE was launched right on schedule. "Bumps in the road?" RDC's AI Emmans asks. "There were none."

### Both Hardware and Software Contributed

In addition to creating feature-rich new software, Quest selected hardware that greatly enhanced their customer's remote order entry application. The Motorola MC1000 became the new standard terminal that is now put in the hands of PRO WEB subscribers. The new, lightweight Moto terminal offers plenty of memory and an up-to-date display. It also features Active Sync for cradle uploads today, as well as direct Wi-Fi connectivity that can be used for future upgrades. The low cost and easy serviceability offered by the MC1000 makes it the most cost effective choice for a distributor like RDC. The terminals can be leased to RDC customers without fear of downtime or even limitations of capacity.



*The Motorola MC1000 in action.*



*Motorola MC1000*



*Zebra QL220*



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## Quest Keeps On Delivering Money-Saving Ideas

During the installation and commissioning of RDC's new inventory and ordering system for customers, RDC requested an enhancement to PRO MOBILE that would allow internal merchandising staff to print shelf SKU labels. For store resets and conversions RDC was printing 180 page shelf label sets which merchandisers had to page through to manually label shelves in stores. Quest's hardware solution was a Zebra QL220 mobile printer attached to PRO MOBILE. They programmed the RDC software to print a shelf label immediately after scanning a product's barcode. As a result, RDC staff reports saving up to 65% of the time required to label stores, in addition to countless wasted sheets of unused shelf labels.

## More than Doubling Re-Marks per Hour Saves Big Money

Quest helped RDC increase productivity by adding the Zebra QL220 mobile printer to the worker's kit. This battery operated, wireless portable let the worker print a fresh shelf label at the point of transaction, at exactly the moment it was needed. Zebra's QL line can receive print commands from either a Bluetooth connection to the MC1000 or a direct Wi-Fi connection to the store's LAN.

## RDC Field Workers Claim Time Savings of More than Half

The use of the QL220 saves label waste while making workers more efficient. This let's them spend more time facing their customers while still allowing them to cover more stores per day with no increase in labor costs.

## This Could Be Your Story, Too

Consultants and Developers from Quest Solutions meet with wholesale distributors and DSD Operators, nationwide, every day. These business process professionals bring similar Returns-On-Investment to all their clients in a number of retail and commercial segments. Call Quest Solutions today to get our opinion on how your Order Entry or other administrative process can be improved. You'll also find out how much you could be saving as compared to your current operations, and how soon that efficiency bonus can be in your hands.

**Call Quest Solution Today!**



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