

# WAY 2

## Datarithm's Automated Demand Forecasting Delivers Effective Inventory Control by Optimizing Prescription Drug Inventories

Carry the right drug, in the right amount, at the right time, in the right location, with complete control ... through Datarithm's specialized software applications.

**Executive Vice President:** Dave Belinski

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Founded:

2005

Employees:

20

Stock Symbol:

Private Company

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### Company Background

Founded in 2005 by a pharmacist, a software engineer, and a medical sales professional, Datarithm has maintained a persistent focus on the development of highly specialized systems and software applications. Our solutions assist pharmacies by: (a) streamlining inventory tasks, (b) reducing overall expense, (c) emphasizing precise management techniques, (d) reducing overstocked and dead inventories, (e) recouping "frozen" inventory dollars via balancing, and (f) increasing customer service levels. Datarithm's solutions will offer pharmacy of any size and scope consistent, centralized, and precise control over their prescription drug inventories.

From its inception, Datarithm has pioneered store-to-store inventory transfers (aka "balancing") for pharmacy. In 2012, we launched our automated inventory demand forecasting and reorder optimization features. We followed in 2013 with the release of our configurable cycle-counting platform. Today, Forecasting, Balancing and Cycle Counting represent Datarithm's three functional pillars. These pillars, coupled with our customizable option settings, offer an inventory control solution with more depth than any other inventory system on the market.

### Product Overview

Controlling inventory with consistency, centralization and precision has proven challenging to pharmacy. The industry itself is unique; it has its own "ebb and flow." New drugs continually enter the market. Unexpected news can instantly change a drug's demand trend. There are thousands of NDC's in a typical formulary. A drug's dispensing history can be recurring, or sporadic, or seasonal, or new to a formulary. Drugs are constantly going generic. Generic drug prices have been unpredictable. Wholesalers will switch drugs. Physicians often change their scripting patterns. Reimbursement rates fluctuate. Unit costs vary over time. Laws change. The list can go on; while fast-moving drugs are easier to control and predict, management of the rest of a formulary is best described as guesswork mixed with fear of a stock out. Adding to the challenge is the fact that the majority of day-to-day inventory work typically falls on the pharmacist and tech.

Datarithm is the answer. Stop the guesswork, lessen the pharmacist's and tech's inventory workload, and deliver control of any pharmacy's most important asset, its prescription drug inventory, back to management. Do so in a consistent, centralized and precise way throughout the enterprise regardless of size and scope. Datarithm's forecasting pillar provides consistent methodology by analyzing historical dispensing patterns, categorizing the results, and deploying proven algorithms to determine each NDC's or generic group's upcoming usage in every location. Datarithm's balancing pillar delivers centralization by identifying shortfalls and surplus inventory at each location. Finally, Datarithm's cycle counting pillar brings precision through our dual-ranking and configurable settings.

### Features

■ **Forecasting** - It is a fact; a larger sample size increases statistical significance. Datarithm takes that to heart by using 24 months of transactional history. Datarithm selects and deploys the lowest error best-fit algorithm, automatic smoothing, trend analysis, and Economic Order Quantity Calculation. Datarithm also applies advanced logic based on client preferences. It all leads to a strong forecast for upcoming usage of each NDC in each location across the enterprise. All forecast settings are customizable to match our clients' objectives.

■ **Balancing** - Turns, Turns, Turns. When it comes to your prescription drug inventory, Datarithm knows how fast each NDC in each location is turning. If it makes sense to "push" a full or partial NDC from a "cold" to "hot" dispensing location, we will automatically suggest it. If the NDC is not turning at any location, Datarithm suggests return to wholesaler for full credit if possible. Whether in-date, short-date, or expired, Datarithm realizes the NDC life cycle and provides our clients with the features necessary to keep their prescription drug inventory balanced. All balancing settings are customizable to match our clients' objectives.

■ **Cycle Counting** - A little work goes a long way. Utilizing a dual-rank approach, management controls count frequencies, on-hand precision is elevated, and potential diversion is flagged. All cycle count settings are customizable to match our clients' objectives.

### Graphs & Charts

