

# Case Study

## HealthPartners®

Star-Link Enterprise from Retail Management Solutions helps pharmacies to streamline operations and centralize management of multiple pharmacy locations.

Health Partners operates clinic/ apothecary type pharmacies with relatively small front ends.

For more than half a century, HealthPartners has been setting the standard for its high-quality health plans, hospitals, medical & dental clinics and pharmacies. HealthPartners offers retail pharmacy services in numerous clinics and one refill pickup site at its headquarters in Bloomington, Minnesota.

All of its stores have a variety of OTC products and specialty OTC products, as well as candy, snacks, beverages, and greeting cards.

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#### **Primary Intended Outcome**

Pharmacies with multiple locations face unique challenges in ensuring that each site maintains and updates their product files, implements price changes and promotions, and remains consistent across the brand. Furthermore, taking in and making sense of data from multiple sites is both labor intensive and time consuming.

The Star-Link Enterprise edition offers companies with multiple sites the ability to centralize the management of product files, promotions, and accounts receivable. In addition, Star-Link communicates with Star-Lite or Star-Plus POS systems for real-time communication from and between sites to the head office to give up-to the minute inventory, sales, and transaction data. Star-Link utilizes Microsoft SQL Server Reporting Services and SQL Server Analysis Services so this data can be viewed dynamically for some or all locations by deploying built-in reports or custom-built report options.

#### **The Challenge**

HealthPartners operates Clinic/Apothecary type pharmacies with relatively small front ends. For more than half a century, HealthPartners has been setting the standard for its high-quality Health Plans, Hospitals, Medical and Dental Clinics, and Pharmacies. At the initial implementation of Star-Link, Health-Partners offered Retail Pharmacy services in 15 medical clinics and one refill pickup site at their headquarters in Bloomington, Minnesota. All their stores have a variety of OTC products and specialty OTC products as well as candy, snacks, beverages, and greeting cards.

With pharmacies spread throughout the city, managing the product file for even small front ends was difficult and time consuming. Each site had a pharmacy manager whose focus and training revolves around the prescription side of the business with limited interest or concern for the front end. Due to the size, no site had a front-end manager as is typically seen in pharmacies with a large front-end.

As a result of this problem, price update files emailed to the stores from the head office were often not processed in a timely manner and, at some locations, not at all. Consequently, some sites experienced increased cost of goods without increasing their retail prices, resulting in reduced profit. Ensuring compliance was virtually impossible. Additionally, as time went on, product file discrepancies

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The Star-Link Product Manager allows HealthPartners to process a product update file centrally and push the information down to all sites, ensuring compliance and virtually identical databases. Sites can be managed at the Branch, Store Group, or individual store level, so if competition requires HealthPartners to vary pricing at a specific store or a group of stores, it can do so easily. between sites became larger. Since some sites sporadically processed update files, new products were not added to the database automatically. Consequently, as new items were ordered, they were only in the database of some stores – leaving the other stores to create the items themselves. This resulted in significant inconsistencies between sites and, in some cases, items were sold at the acquisition cost rather than the retail.

Another problem with managing multiple pharmacies was gathering reports for each site and assimilating the data. This was a very labor intensive, time consuming, and manual process. Simply looking at cash balancing and daily sales data required many hours of work from many individuals. Comparing store sales required manual data entry into an Excel spreadsheet from store generated reports. Again, a very time-consuming process with results that had to be emailed across the enterprise. Reviewing front-end product detail across the chain was virtually impossible. Consequently, some sites carried products they didn't sell in over a year, while other sites were out of stock on items they sold regularly.

#### **The Decision**

HealthPartners purchased and installed the Star-Link Enterprise system which communicates real-time with the Star-Lite and Star-Plus point-of-sale systems deployed at the individual stores. The Star-Link Product Manager allows HealthPartners to process a product update file centrally and push the information down to all sites, ensuring compliance and virtually identical databases. Sites can be managed at the Branch, Store Group, or individual store level, so if competition requires HealthPartners to vary pricing at a specific store or a group of stores, it can do so easily. What's more, instead of relying on individual pharmacy managers to process emailed files, HealthPartners simply forces the updates and restricts the ability of the pharmacy to make changes to the item file. In the event a new item makes it into the stores without already being part of the database, stores create the item at their location and, as they do so, the information flows up to the Star-Link Holding Tank for review by the POS manager. The manager sees each instance of the new item and exactly how it was input by each site. The manager then either selects one of the instances to become the standard or creates the item from scratch. Once this process is complete, the updated information is sent to every site.

#### **The Results**

Today, instead of one person at headquarters creating product file updates and relying on different people at separate locations to implement those updates, one person does it all. And instead of marginal compliance, there is 100% compliance. Star-Link utilizes the latest database technology from Microsoft, opening the door to unprecedented reporting capabilities. Transaction data flows real time from each site to Star-Link, giving HealthPartners immediate access to sales data across the chain. Instead of relying on pharmacy managers to run end-of-day reports and send them to headquarters to be manually input into a spreadsheet, all the data appears at Star-Link virtually instantly. Ryan Sunderman, the POS Manager for HealthPartners notes, "Prior to Star-Link implementation, pricing updates and product additions to the cash register were challenging. Now we are able to ensure our products are being sold for a profit and we are able to manage our sales by replacing products without sales with products that will sell."



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#### STAR-LINK

The Star-Link system is both powerful and flexible allowing for centralized management while also allowing for no, partial, or full control for individual stores within the chain. It even allows for stores to be grouped into regions, zones, or branches to better target pricing strategies.

Star-Link can expand as you expand!

Toll free: 1.877.767.1060 Email: sales@rm-solutions.com Web: www.rm-solutions.com Star-Link incorporates Microsoft Web Services to create web-based reports so managers and executives can look at the reports whenever they wish from wherever they have access to a web browser. This eliminates the need for Star-Link software to be loaded on desktops across the enterprise, saving HealthPartners' IT department time and money. Additionally, web-based reports can be tailored to a specific user and restricted to that user. Web-based reports can also be automatically created and emailed to as many individuals as desired. This feature vastly reduced the time and labor required for data analysis while exponentially increasing the amount of information available to management at the click of the mouse.

With Star-Link, HealthPartners can run store comparison reports in real time, viewing up-to-the-minute sales data. The need to manually input reports from each site is gone and the time required to make these types of entries is now spent on more important tasks. Viewing cash balancing results and over/short information for every site is a breeze. Analyzing front-end merchandise is not only possible today, it is easy. Today, management can look at everything from top selling items to items with no sales. It is simple to review margins across departments and drill down all the way to individual items and view the sales data of that individual item for each store – all on one screen.

Furthermore, as HealthPartners has grown and expanded their operations, Star-Link has grown with them, integrating with the POS systems at over thirty HealthPartners pharmacies.

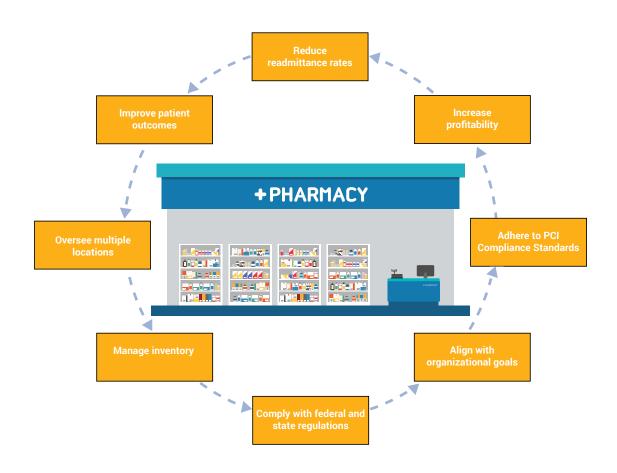
#### **The Conclusion**

A centralized head office system can save time and labor costs while simultaneously increasing profit by ensuring that product files are up to date with correct products and pricing. The ability view aggregate data from across the chain can help make better decisions about what inventory to carry at which stores and compare store performance. It can even increase customer loyalty with product and promotion standardization and by centralizing accounts receivable and customer loyalty programs ensuring that customers know what to expect at each location.

The Star-Link system is both powerful and flexible allowing for centralized management while also allowing for no, partial, or full control for individual stores within the chain. It even allows for stores to be grouped into regions, zones, or branches to better target pricing strategies. Star-Link can expand as you expand to add in centralized programs such as Employee Editor, making it possible to add and update employee information directly through Star-Link; Accounts Receivable to manage customer accounts no matter which location they use; Customer Loyalty that allows customers to generate and redeem loyalty points at all applicable locations while their totals are recorded and maintained at the head office; Purchasing for ordering, transmitting, and drop-shipping; and Order Desk for warehouse operations and for pharmacies looking to take advantage of economies of scale.

Star-Link's powerful web-based reporting allows for using built-in reports or using a report builder that exports to Excel and PDF. Its real-time communication means that accurate data can be viewed virtually instantly. If the CFO wants to see the sales for each store for today, this week, this month, this quarter, or this year, he or she can do so with the click of the mouse and no one in the organization has to do anything to make that happen!

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