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POS Integration Automates Customer Service, Compliance, and Reporting

Tobin's Pharmacy exploits the full functionality of its POS system to build on a century-old legacy of customer service.

Tobin's Pharmacy is a bit of an anomaly, one that deserves a brief telling of its history. The family-owned, 101-year-old business in idyllic and serene Oconomowoc, Wisconsin is best described as a high-end department store that happens to feature a first-class pharmacy and hearing aid center. Unlike the typical "pharmacy in a convenience store" trend that shapes the cookie-cutter business approach taken by the national drugstore chains, Tobin's combines fine jewelry and cosmetics, women's and children's apparel, home décor, Hallmark cards, kitchen gourmet, nutritional products and hearing aids with a high-tech pharmacy.

Doug Schultz, president of Tobin's, gives credit for the store's unique and winning approach to his father, Don. It was Don who, after purchasing the original Tobin's store in Burlington, Wisconsin, quickly built the banner into a six-store chain that featured an expanded product assortment to include high-end gifts, children's apparel, cameras, electronics and home furnishings.

How could a retail concept that marries a century-old pharmacy with a high-end department store possibly work? The elder Schultz simply did what any retailer should do. He listened to his customers. The lake-dotted landscape surrounding Oconomowoc, which sits on the Western fringe of Milwaukee, serves as home to some of the area's most affluent residents. It's close enough to the city for commuters, yet far enough away to keep major national department stores at bay. As he built the business, Don's customer-centric business sense led the way.

When Don retired in 1981, he sold all but the Oconomowoc location, which he reserved for his sons Doug and Dave—both pharmacists—to manage. A new 22,000 square foot building went up in 2006 to support the $6.25 million business, facilitating the culmination of the unique retailing concept their father pioneered. However, the expansion of its store, coupled with a wide-reaching merchandise assortment that ranges from prescriptions and nutritional supplements to fine gifts, jewelry, cosmetics, apparel, greeting cards and hearing aids, placed a strain on the company's POS system.

Ill-Fitting POS Degrades Customer Service, Business Reporting

A few years after moving into its new location, Tobin's began experiencing difficulties with its old POS system, which was not designed for a store of its size. "System lockups were a frequent occurrence during busy sales events. Business reporting was slow and difficult for employees to utilize, and physical inventories were very cumbersome and time consuming," says Schultz. The system wasn't designed to keep track of item sizes and colors, which Schultz deems essential in his company's fashion business. "Frequent loss of communication between the POS system and the credit card processing server would create backups at the checkout. Our customers were very frustrated, even to the point of leaving their merchandise at the checkout counter and exiting the store," says Schultz. That can't be tolerated in a small

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"This integration [Retail STARx and McKesson EnterpriseRx] saves a massive amount of time at the pharmacy POS terminals."

-Doug Schultz,
President,
Tobin's Pharmacy

town like Oconomowoc, especially by a retailer with a customer-centric mantra built on a 101-year-old reputation.

Pricing and promotions were suffering as well. "Placing large numbers of items on sale was painstakingly slow, and any attempt to do so during business hours would cause our POS terminals to lock up," says Schultz. "It was an equally sluggish exercise to use the system's duplicate customer merge feature. It would take 15 to 20 minutes to merge the sales history of duplicate customers with high purchase activity," he says.

In addition, the system was no longer being supported by its developer—by the time it set out to find a new POS provider in July, 2011, Tobin's had not received a software or service pack update to its old system since July, 2009.

Tobin's Exploits the Full Feature Set of its New POS

As it set out on the path to discover its next POS system, Tobin's had a few parameters in place. The company had just purchased a new, high-end server in 2011. It was running Microsoft Windows Server 2008. With a desire to keep these core pieces of infrastructure in place, Schultz headed up the search. "We thoroughly researched two well-

known retail management systems before choosing Retail STARx from CAM Commerce, a subsidiary of Celerant Technology," says Schultz. His analysis of Retail STARx included a detailed and documented comparison of the features of Tobin's previous POS system and those offered in the new one. Satisfied with his assessment, the implementation began in late August 2013. CAM Commerce Solutions tech support staff performed the initial setup, installation and on-site training, followed by a thorough and accurate mapping of data from the old system into Retail STARx by a CAM Commerce database conversion specialist. Next, the EDI (Electronic Data Interchange) and pharmacy modules were implemented and tested.

Since being live on the new system for a little over a year, Tobin's has realized a host of the benefits it sought, including, in Schultz' words:

- Fast and easy business management reporting

- Fast creation of item price change batches and promotions

- The ability to easily place large numbers of unrelated items on sale using a portable data terminal.

- Ability to create and utilize barcoded coupons.

- Ability to email receipts to customers

- Real time price checks using a wireless portable data terminal.

- Ability to associate a single or multiple line items on a POS invoice with the sales associate that sold the item/s to the customer for the creation of sales commission reporting.

- More robust EDI ordering and receiving.

- Ability to print a gift receipt only for selected items on the invoice.

- Bidirectional pharmacy-POS interface with faster patient checkout.

Schultz says that generally, he measures the success of the implementation on whether owners, managers and staff are satisfied with their ability to run the business using the new system, the accuracy of pricing and purchase history, and customer satisfaction, all of which have had positive outcomes. That last bullet point, however, represents a unique need at Tobin's—and one that couldn't be accommodated by any of the competitive solutions Schultz considered.

Retail STARx Connects Retail and Pharmacy Operations

Particularly problematic at Tobin's was that its previous POS solution did not feature a bidirectional interface with its McKesson EnterpriseRx pharmacy system. Retail STARx does, and the benefits to the retailer are numerous. "Let's say a patient wants to purchase their prescriptions, in addition to Vitamin D3, fish oil, and an antioxidant," explains Schultz. "All the sales associate needs to do is scan the bar code on one of the prescription labels, and any other prescriptions that are ready for pick up will appear on the POS screen," explains Schultz. "In addition, when the initial Rx bar code is scanned, the patient's name automatically appears on the screen," he says. "We don't have to perform a customer name search
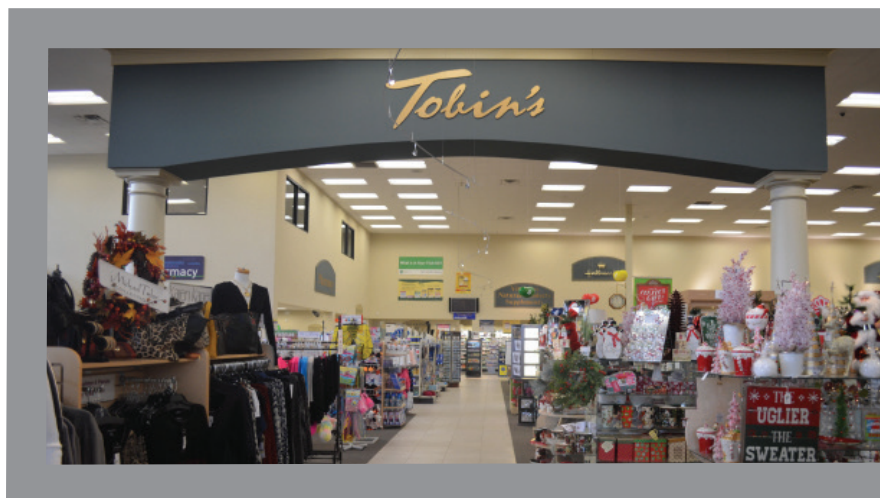
and select an order to track their purchases anymore. The nutritional supplements and any other general merchandise the customer wants to buy can be scanned in the same transaction, the system prompts the patient to sign for their prescriptions, and the complete sale can be finalized. This integration saves a massive amount of time at the pharmacy POS terminals." If the same patient returns to the store in 3 months and forgot what brand of fish oil capsules they purchased in the past, the sales associate just does a patient name search and looks at their purchase history to find the product. "That's great customer service," says Schultz.

Because consumers' pharmacy purchases are tracked and documented, the system also automates Tobin's regulatory compliance for the sale of tracked chemicals, such as Pseudoephedrine. "When a customer attempts to buy a tracked chemical, the system automatically notifies us if the purchase falls outside of the state or federal regulations," explains Schultz. The Retail STARx integration also alerts our IVR (interactive voice response) system when to discontinue calls to the patient regarding the status of their prescription orders. Many pieces of information are communicated from the pharmacy computer system to Retail STARx and vice versa in order to make things flow smoothly for the customer/patient and for our sales associates," says Schultz. In fact, before integrating with Retail STARx each prescription sale was taking 5 seconds longer because each one

Automated Sales Commission Reporting Boosts Associate Performance

Tobin's Pharmacy is a sought-after place of employment due to its family-and-community-oriented atmosphere, as well as the lucrative, commission-based sales associate opportunities it offers. "The Retail STARx POS system helps us manage our sales associates' commission earnings in an efficient manner," says Schultz. When a Tobin's customer spends a large sum of money on clothing, for instance, she's likely to receive a considerable amount of service from a sales associate. Before that customer heads for the checkout, the associate who assisted her places a small personal bar code on each of the items she sold. At the checkout, the associate operating the POS scans those bar codes, and the sales are automatically attributed to the appropriate sales associate. "Our commission program only applies to the sale of items that meet a specific margin threshold, and the system automatically identifies sales that meet our criteria," says Schultz. "At the end of each month, we simply run a commission report in Microsoft Access (using ODBC to Retail STARx) that subtotals commissions for every employee, and reward those employees with their commission dollars."

In a small, but bustling town like Oconomowoc, personal service and associates who are motivated to serve are customer experience differentiators at Tobin's. IT automation helps the retailer take that experience to the next level. "My guess is that there are very few small to medium sized retail stores that utilize their POS system at the level we do," says Schultz. "It's one thing to have a retail management system, it's another to make use of most of its features to run the business."

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had to be manually released in the Enterprise Rx system. Schultz says the process is now completed in less than a second. "Multiplied by hundreds of prescriptions per day, that's a measurable efficiency gain."

CRM Enables Efficient Targeted Marketing

Because its Retail STARx POS system tracks purchases at the customer level, Tobin's is capitalizing on targeted, digital customer promotions. "We've been able to save thousands of dollars per month by scaling back on print advertising because we're seeing so much success from personalized digital outreach," he says. When product vendors offer special BOGO (buy one, get one) and free gift promotions, Tobin's can quickly pull a list of all the customers who purchased products from that vendor in any given time period, organize it for relevance (those who made the most purchases go straight to the top), and begin a campaign that includes phone-based IVR, e-mail, and direct mail. Customer phone numbers are uploaded to the IVR server, then the IVR system simply dials each number and notifies customers of the current promotion. "We recently learned the hard way just how valuable this automation is," says Schultz. "During a recent cosmetic promotion, a glitch in the IVR system prohibited outbound calls. Sales were down nearly $8,000.00 in two weeks due to the problem."

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