

QlikView helps Advantage Pharmacy Group build sales, manage margins and develop new lines of business



This year marks twenty years since the Advantage Pharmacy Group was established by two enthusiastic business owners in Melbourne. In that time the Group has grown to thirteen business partners and includes 23 wholly owned pharmacies within Victoria and another 27 franchised stores across Australia. The Group turns over around \$100 million dollars annually and employs 540 staff. It's an outstandingly successful business in a very crowded and competitive market.

One reason for the Group's growth has been management's belief in the importance of centralised infrastructure and services. Placido Cali, Advantage Pharmacy Group Chief Financial Officer explains, "We've always done things at head office that stores find difficult to do or that from an economic sense, are best done centrally. Infrastructure is hard to replicate at store level and it takes time, so from the earliest days we've put a huge investment of time and money into creating systems and services at head office and making them available to the pharmacies."

Among the systems that Advantage Pharmacy Group head office manages are loyalty and marketing services, Group ordering and warehousing, and an enterprise resource planning (ERP) system to manage financial services. Within the last 12 months the final piece of the puzzle was deployed, a QlikView business intelligence solution to ease the task of accessing, reporting and analysing data across all systems.

Professional reporting for external customers

When considering what kind of reporting solution would best fit their needs, Hilton Belnick, Chief Information Officer at Advantage Pharmacy says the group did consider SQL Reporting Services but, "We found it fairly limited and it restricted how we could report. It would have been very costly, requiring a lot of manual manipulation to get the look and feel we were after."

As an alternative, the Group's IT partner, Professional Advantage, who had been appointed to build the data warehouse that would underpin the reporting solution, recommended QlikView, a reporting solution used extensively in local and global environments. To show the group what was feasible, Professional Advantage built a proof of concept demonstrating exactly how the data could be brought together for analysis. Pleased with the results, Advantage Pharmacy Group gave the project a green light.



Problem

Having recently deployed a new enterprise resource planning (ERP) solution, Advantage Pharmacy Group needed to find a reporting solution that could meet the diverse information needs of company owners, head office management, pharmacy managers and franchise owners.

Solution:

- QlikView

Benefits:

- Time savings to prepare reports of one and a half days per month
- Analysis provides greater control over margins
- Product ordering is optimised and store allocation more accurately reflects demand
- More professional reporting has led to the development and launch of a new business initiative

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"We chose QlikView for a number of reasons. We wanted to move away from individual reports and fragmented reporting by creating a common platform that would ensure we were all looking at the same numbers."

Cali comments, "Secondly, we wanted to provide these services to our franchisees so there was an added onus to ensure the reports were very easy to deploy anywhere in Australia and professional in look. It wasn't going to be OK to have just an Excel spreadsheet or to have a report that suited us, but not someone else. Finally, we had lots of different data sources that we wanted to use and QlikView allowed us to easily bring all of this together in a meaningful report."

Early results

It's six months now since QlikView went live. Initially the reporting platform and its dashboard were made available to a limited number of managers. This gave the organisation time to test the new system and review the reports to ensure relevant, useful content. After three months the system was rolled out to a wider audience and in mid-2012, the Group purchased a further set of licenses enabling QlikView to be made available to all stores.

Today use of QlikView is widespread. The main demands on the system fall into three areas. Dashboards keep the individual stores informed by providing data regarding key performance indicators. At store level, a loyalty system module provides customer relationship management functionality such as loyalty & membership data along with extensive reporting of activity.

"Previously reporting involved an Excel report being emailed out to stores. Now it's delivered by QlikView. Where it used to take two days for head office staff to prepare the reports, it now takes half a day."

Belnick says, "That's a saving of a day and a half every month. Plus stores just log onto the website and the QlikView dashboard is there, making it much easier to review historical information or make comparative analyses."

Within head office, QlikView is monitored daily to analyse stock, sales, margins and store performance. Slow moving lines are identified far more quickly, enabling intervention strategies such as promotions to be put in place. The information is also helping to develop optimal purchasing plans and to allocate product according to likely demand.

"It's had a significant impact among senior managers," Cali notes. "All it required was maybe half an hour of training from Hilton to equip them to use the system. They were very quick to adopt it and now, at an analytical level, QlikView has become critical. For example, before entering discussions with a vendor, our buying manager can go into a report to see everything from category performance, to that brand's performance, across the Group and down to store level."

Analytics are also helping management to understand the revenue implications of pharmaceutical product substitution, which occurs when a customer is offered a generic brand as opposed to one that is listed under the Pharmaceutical Benefits Scheme.

"The information has always been there but there was no easy way of getting it before," Cali adds.

New areas of discovery

One unanticipated result of the additional analysis has been the development of new opportunities to include other data sources. The Advantage Pharmacy Group loyalty system had long been used by franchisees and the company's wholly owned stores but without a reporting front end, it had never been offered outside the Group.

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Since the addition of QlikView however, all this has changed. Cali says, "This year we showcased the loyalty system at a pharmaceutical conference. The response has been very positive with people commenting that it is quite powerful. Obviously QlikView is just the reporting part of it, but it has enabled us to give the system a professional look that shows we understand the pharmacy business. If we still had a plain black and white reporting system, it wouldn't have had that grab factor. So in many ways, we've been able to extend and strengthen our potential business offering as a result of QlikView."

Future plans

Belnick is now working on ways to integrate QlikView with the Group's recently deployed point of sales system. "There are some limitations in getting information out of the back end of the system, so we are looking at QlikView to remove this fragmentation and to provide the data in a more user-friendly format."

Both Cali and Belnick are also interested in extending QlikView access to mobile devices.

"Our main target is to get QlikView into every part of our business. So far we've been able to get efficiencies, look at and control margins, and launch new business initiatives."

But it's also been quite challenging to get reports out to people such as store managers who are not used to sitting in front of a computer. So we're at the early stages of looking at how to deploy these reporting solutions to iPads, iPhones and tablets. There's potentially great benefit in a manager being able to walk around a store knowing exactly what his targets were for the last day and what they are for the next."

"What QlikView has given us is a level of flexibility. It allows us to report quickly and easily. If we want to see sales for the last week, last year or want to look at a particular category or group of stores, we can put all these parameters together with a handful of clicks."

"We always wanted reporting as part of our ERP capability and QlikView has a great look, it's easy to use and easy to deploy. It doesn't need a huge amount of training and it hasn't left us dependent on consultants to build reports. We're very much at the start of this journey. We're mindful of not rushing, but we do want to take a step every day," Cali concludes.

About Professional Advantage

Professional Advantage focuses on providing technology and services that enable high-performance workplaces and organisations. Professional Advantage was established in 1989 and today employs more than 230 people in Sydney, Melbourne, Brisbane, Perth, London and Fargo, USA. The company is the largest provider of leading brand global business management systems such as financial management, ERP, CRM, retail, business intelligence, business process management and portal solutions to mid-sized organisations in Australia, supporting over 800 clients nationally. Its multi-product offering is complemented by its development, systems integration, consulting, training, and support services. Professional Advantage is the winner of many business and vendor awards including the Microsoft President's Club 2011 and the 2012 Asia Pacific Partner of the Year Award for Infor.

For more information

Visit: www.pa.com.au

Email: info@pa.com.au

Call: 1800 126 499