

Vocollect Case Study

Smith Drug Company

Keeping the tradition of pharmacy



Voice Results

Objectives

- Improve order accuracy and productivity
- Eliminate paper-based inventory management system
- Minimize workforce disruption
- Improve labor management
- Reduce dependency on auditors
- Gain visibility into individual performance
- Reduce overtime
- Achieve rapid ROI

Application

- Picking (cases/eaches)

Installation

- Vocollect Talkman® T5 & T2 Mobile Computing Appliance
- Vocollect SR-20 & SR-10 Series Wired Headset
- Vocollect VoiceLink® Enterprise Connector
- Vocollect VoiceClient® and VoiceConsole® Software
- Legacy WMS

Results

- Productivity improved 20%
- Order accuracy improved to 99.999%
- On-time deliveries improved
- Overtime eliminated
- Training time reduced from two weeks to 3-4 hours
- Quality Assurance personnel reduced from 17 to 5

ROI

- Six months

Rapid Growth and Expansion Requires Evolution of Distribution Business

Headquartered in Spartanburg, South Carolina, Smith Drug Company is the third largest privately held company in the state. Founded in 1944, Smith Drug serves over 1,000 primarily independent drug stores, long-term care facilities and hospitals across 19 states, Washington, D.C. and the Virgin Islands, with average daily sales of \$10 million.

Smith Drug processes 27,000 SKUs through three distribution centers located in South Carolina, Arkansas and Georgia. The day shift handles receiving, loading, cycle-counting and other workflows. All the picking is doing on the night shift; the company ships more than 7,000 totes per night.

The Challenge

Transition from a paper system to meet escalating work demands

Errors in pharmaceuticals are costly. Some medicines retail for \$1,000 or higher. It doesn't take many errors with expensive products to eat into thin profit margins.

Previously with its paper-based distribution system, when the orders hit the main system someone would have to print them, manually separate them by route, place them on a clipboard, and put them on totes to start the picking process. With no way to measure individual performance, there was little opportunity to coach and improve worker performance.

Smith Drug tried a few remedies, but couldn't eliminate the errors, even with a newly implemented verification bar code scan process. Compound this with many other growing pains that hampered performance, and it was obvious to see that something had to change, and change quickly.

"I asked for a 20 percent increase in productivity with an accuracy rate of 99.99 percent, and that was easily attainable. Now we are averaging about 80,000 units a day from our warehouses. Working with Vocollect Voice is money in the bank for us."

Randy McConnell

Information Systems
Business Applications Director
Smith Drug Company

The Solution

Vocollect Voice: The Sound Remedy for Smith Drug

“Paper was holding us back, keeping us from reaching the kind of productivity and service goals we knew we were capable of, goals we simply had to achieve if we were going to be successful,” said Randy McConnell, Information Systems Business Application Director.

After becoming convinced voice was the right technology and Vocollect the right voice provider, Randy McConnell, the Information Systems Business Application Director, had just a few goals. “I asked for a 20 percent increase in productivity with an accuracy rate of 99.99 percent, as well as a fast return on investment. We didn’t have time to waste.”

Initially Randy took a conservative approach, maintaining the paper system side-by-side with the voice system. But that didn’t last for long, once the immediate results with Vocollect Voice became apparent.

The Results

Soaring to Success with Vocollect Voice

Smith Drug was able to eliminate overtime entirely. The company was able to reduce its Quality Assurance staff from 17 to 5, and a return on investment was reached in six months.

Smith Drug has an extremely diverse workforce, with native languages including Spanish, Russian, various Asian languages, and “southern.” With the ability for workers to record their own voice templates and speak to the system in any language or accent, the company found Vocollect Voice to be easy to learn and to operate. In fact, the company was able to reduce its overall training time from two weeks to only three or four hours.

Now supervisors can see in real time what is happening on the floor. With the ability of Vocollect Voice to track individual performance, it is much easier to spot problem areas for ongoing training and coaching efforts.

With greater efficiencies, the company can do more with less, and today there are three DCs with a total of 80 workers on voice, as opposed to 130 workers on voice in two DCs from before.



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About Vocollect

Vocollect is the leading provider of innovative voice technology solutions that help companies with mobile workers run a better business. Together with a global team of over 2,000 Vocollect Certified Professionals, Vocollect enables companies to save more than \$20 billion annually through further optimization of operations, improving business decision capabilities, and delivering the industry’s premier worker experience in challenging industrial environments to nearly one million mobile workers who move in excess of \$5 billion of products every day.

Vocollect integrates with all major WMS and ERP systems and supports the industry’s leading handheld computing devices. Visit us at www.vocollect.com.