



case study

Jadin Chemist Group

The Company

The Jadin Chemist Group are a group of retail pharmacists operating ten independently owned retail stores (north of Brisbane), a mini-wholesale operation and a central office providing administration services. They supply wholesale services to a further 63 pharmacies. The initiator of the group, Mr Jim Johnson wished to expand the business but the controls over stock, ordering and pricing were too labour intensive and slow to effectively manage an expansion program. Furthermore, there was need to reduce costs across a range of areas including pricing, stock control, ordering and management reporting.

Specifically, Jadin were looking to:

- facilitate expansion through e-commerce technology and automatic ordering
- reduce costs and make business units more accountable
- identify and inform members of incorrect pricing within their stores
- reduce obsolete stock and identify overstocking
- monitor discounts and other day to day management issues
- standardise product information across the group
- automate the preparation of management reports to give benchmark reporting across the group

Solution

Jadin appointed Practical Business Support (PBS) after considering a range of consultants and service providers. Jim Johnson said that the solution offered by Practical Business Support was chosen because of the way it was able to align its solution with the projects objectives and because of its cost effectiveness.

The new system was implemented in a way designed to ensure minimal disruption to the existing operations of the Group. It delivered a centralised data warehouse which is automatically updated daily, showing full details regarding inventory, pricing and sales. It also allowed full Business to Business (B2B) transaction swapping between the existing retail and wholesale systems.

As a key part of the solution, Jadin employed the following tools offered by PBS:
Net DX – used to facilitate two way data traffic between stores and head office
Intellidata – Drill down tools for viewing data by product, store, salesperson, hour
StoreView – Publication of inventory across group to stores. Margin review to HO
AutoMail – Publication of reports and data mining results

Results

- ✦ Increased gross margin by 2% for those members acting on advice regarding erroneous pricing and incorrect product mix
- ✦ Reduced the staff requirement at the wholesale business by one full time employee, due to B2B links
- ✦ Automation of refill orders from mini wholesaler to own stores
- ✦ Automation of head office reporting functions
- ✦ Costs of the project were recouped by cost savings within eight months

Comments from Jadin Chemist Group

“We were delighted with a full e-commerce interface that also combined management controls and reporting for \$100,000”

Jim Johnson
Senior Partner
Jadin Chemist Group

“What we didn’t realize at the time was that this two way flow of data opened up a huge opportunity to improve the financial strength of our businesses.”

Simon Farr
Senior Partner
Jadin Chemist Group



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