

Customer Success Story



**INDEPENDENT
PHARMACY
DISTRIBUTOR**

"A Wholesaler Independents Can Trust"



BLUE  LINK



“With the help of Blue Link CSOS we saw a 42.5% increase in sales to \$1.425M from April 2017 to May 2017.”

- Russel Patterson, IPD

Independent Pharmacy Distributor – At a Glance

Independent Pharmacy Distributor (IPD) is a licensed pharmaceutical wholesaler that distributes FDA-approved generics, brand and over-the-counter products. Customers include independent retail pharmacies and retail chains.

<http://www.ipdpharma.com/>

Situation

Established in 2015, IPD is an independently owned company with experienced staff who have a background in both pharmacy and wholesale operations.

Challenge

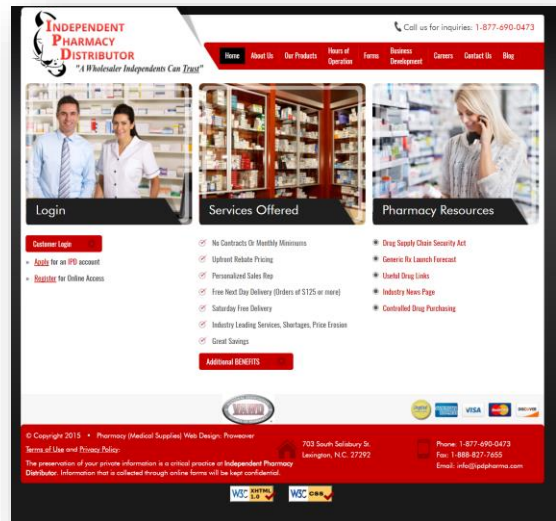
As a start-up company in 2015, IPD knew that it would need a robust software system to manage all aspects of the company – especially inventory, sales, and accounting. The pharmaceutical industry is heavily regulated and so it was important to find a system to help IPD meet these specific requirements. Based on employees’ experience on the pharmacy side of the industry, IPD knew it was imperative to find a software provider to help achieve their VAWD accreditation in order to be successful in the marketplace.

Solution

After doing extensive research on available systems, IPD implemented Blue Link ERP with pharmaceutical specific functionality including lot tracking, transaction reporting, suspicious order monitoring, CSOS and more.

Result

As a result of implementing Blue Link, IPD was able to become VAWD accredited within 10 months and with the help of CSOS functionality has seen an increase in sales of 42.5%.



Situation

Independent Pharmacy Distributor is a fast growing independently owned pharmaceutical wholesale business located in Lexington, NC. Classified as a secondary wholesaler, IPD distributes generic drugs, over-the-counter, brands and controlled substances to a variety of customers across the United States. IPD's customers are mostly independent pharmacies, small chains, exporters and other distributors.



Russel Patterson, Operations, IPD has a background in the pharmacy side of the industry and knew what to expect as a wholesaler entering the market. When working to start the business, Russell knew that achieving their VAWD accreditation was a high priority and that deciding to work with controls was going to be a major commitment. Nevertheless, he was confident in his ability to help run a successful business and set out to find the right solution to do so.

"Your software [Blue Link] makes it where you can do it. You have track and trace, you have the ability to make all of the specs for VAWD."

- Russel Patterson, IPD

Challenge

The pharmaceutical industry is a complicated network of manufacturers, distributors/wholesalers, and customers (including pharmacies, hospitals, private clinics and other distributors). There are typically 2 types of wholesale and distribution businesses in the supply chain: primary and secondary.

Primary distributors are comprised of what's known in the industry as the big 3 – McKesson Corp., Cardinal Health Inc, and AmerisourceBergen Corp. These primary wholesalers have relationships with manufacturers to buy direct and then they sell direct to pharmacies through their own network of distributors. Secondary wholesalers then are smaller distributors that supply product when primary distributors are unable to do so, and they pick up the business that the larger companies leave behind because of their purchase volume requirements.

Challenge 1: Purchasing

As a secondary distributor in the pharmaceutical industry, there are typically 2 options for purchasing inventory:

- 1) buy from primary distributors or
- 2) buy directly from the manufacturer

Although 99% of secondary wholesalers end up buying from primary distributors, this ends up being a self-limiting process as it cuts into their own profitability. Primaries are unable to sell product at significantly lower rates as they don't want to cut into their own margins.

Ultimately all wholesalers want to be able to buy directly from the manufacturer but this will never happen unless they get the right software system, and become VAWD accredited.



The Verified-Accredited Wholesale Distributors (or VAWD program) is a National Association of Board of Pharmacy Accreditation.

VAWD was established in 2004 in order to help protect the public from the threat of counterfeit drugs. From the point of a wholesale business, being VAWD accredited signals to the pharmacy and insurance company that you're safely distributing product.

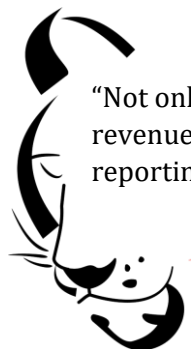
Challenge 2: Sales

Primary wholesalers make it difficult for secondary wholesalers to get business direct from pharmacies due to the need to maintain ratios of product. As part of the industry regulations, pharmacies must maintain specific ratios of product when purchasing from distributors – in terms of generics and branded controlled substances. Primary wholesalers use this as leverage to get pharmacies to purchase their generics by refusing to only sell one or the other, ensuring that their customers have a balance branded/generic ratio.

Even though inventorying controlled substances comes with its own set of regulation, it gives secondary wholesalers the leverage they need to sell to pharmacies. If you're unable to provide customers with the variety of product that they need, it becomes difficult to compete in the market.

Solution

For IPD the solution was obvious – find a software system that can help them achieve their VAWD accreditation and provides all the industry specific functionality needed to be able to sell controls. However, this was easier said than done, as many software vendors in the industry only provide a small piece of the puzzle – where they excelled in inventory and product tracking, they were lacking in accounting and order management. Then IPD found Blue Link.



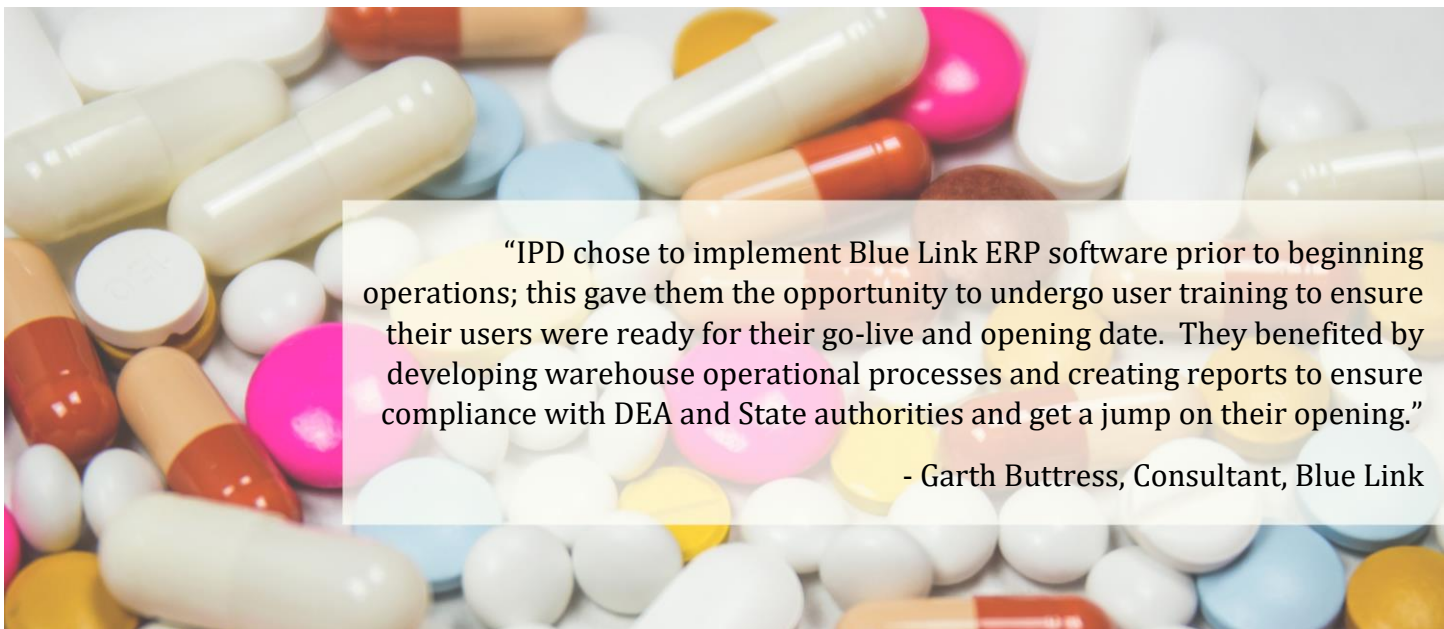
“Not only is CSOS going to potentially double your revenues, but Blue Link will also handle all of your reporting requirements.”

- Russel Patterson, IPD

Blue Link started as an inventory and accounting ERP system designed for wholesalers and distributors. However, after noticing an opportunity in the market, Blue Link began to develop out highly specialized features specific for pharmaceutical wholesalers – at an affordable price. Blue Link knew that start-up businesses do not have unlimited funds, and was able to design an all-in-one system to address industry-specific needs, without the big price tag. Throughout the process of searching for and implementing Blue Link, Russel met with the Blue Link team extensively to hash out the details of the specific requirements needed to adhere to industry regulations and grow his business – and continues to work closely with Blue Link today. With input from Russel, Blue Link was able to develop the system to help achieve VAWD accreditation within a shortened time period. In addition, Blue Link provides IPD with all of their reporting, lot tracking and accounting needs.

Continuing to build on this close relationship, Blue Link and IPD managed to extend the pharmaceutical functionality beyond the basics with the addition of CSOS. With CSOS, IPD can offer its customers a value-add that makes it easier for them to electronically submit Schedule II Controlled Substance orders. Many pharmacies refuse to work with distributors who do not have CSOS capabilities as the amount of resources required to manually submit DEA 222 forms is not worth it.

The implementation of Blue Link itself took place prior to the company's launch. IPD worked closely with its suppliers and Blue Link to meet specific requirements prior to placing their first order for product and the company was fully DEA compliant by the time of opening day.



“IPD chose to implement Blue Link ERP software prior to beginning operations; this gave them the opportunity to undergo user training to ensure their users were ready for their go-live and opening date. They benefited by developing warehouse operational processes and creating reports to ensure compliance with DEA and State authorities and get a jump on their opening.”

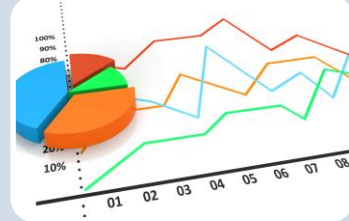
- Garth Buttress, Consultant, Blue Link

Result

The new system implementation was a success. With the help of Blue Link, IPD was able to achieve its VAWD accreditation in 10 months as opposed to the usual 1-2 years. The implementation of CSOS has also given IPD a huge advantage and according to Russel, “there is no reason to calculate the ROI in terms of time savings. If a wholesaler is doing this much sales in controls, they would need to have 1 person doing 222 reports all day long.” CSOS has also allowed IPD to expand its customer base and find new business which has led to an increase in sales of 42.5% in one month alone!

As a start-up company, the first couple of years can make or break a business. IPD continues to see favorable results with Blue Link and the original number of 4 system users has since grown to 35 and counting – all within a couple of years. With this success, IPD is now able to work directly with more and more pharmacy customers and has big plans for continued growth in the future. Simply put, as Russel says, “software makes it possible.”

Summary of Independent Pharmacy Distribution Implementation



Implements
Blue Link,
receives DEA
approval and
opens for
business

Achieves
VAWD
accreditation
within 10
months

Implements
CSOS
functionality
and increases
sales by
42.5%

BLUE LINK

Inventory and Accounting ERP Software for Pharmaceutical Distribution Businesses

Blue Link offers fully integrated accounting and inventory management software, primarily for small-medium size wholesalers and distributors. Blue Link includes advanced functionality for pharmaceutical distribution business such as lot tracking, transaction reporting, suspicious product monitoring, CSOS and more. With Blue Link software you can:

- ✓ **Grow Your Business** with a fully integrated and automated system
- ✓ **Decrease Costs** with better inventory management
- ✓ **Save Time and Reduce Errors** with automated processes across all business operations
- ✓ **Adhere to Industry Standards** with pharmaceutical specific features

Want to learn how you can become a success story?

If you're interested in improving processes, automating your warehouse and growing your business, [contact us](#).

Request a Quote

Request a Demo