

DATA BEACON TRANSFORMS SALES REPORTING AT HARVARD DRUG GROUP

Integrated Web Reporting and Data Analysis system saves Harvard Drug group an estimated 700 plus person hours per year

Challenge

Cost effectively get insight out of a wide range of previously incompatible sources of sales data

Solution

Databeacon Web Reporting and Data Analysis software seamlessly integrated with existing infrastructure

IT Infrastructure

SQL server, Blade server running Linux

Return on Investment

Estimated 700+ person-hours saved per year

User Population

Computer literate (but not IT-oriented) sales representatives, managers and executives

Future Plans

Expand use of Databeacon to Finance and Operations

Industry

Pharmaceuticals

Organization

The Harvard Drug Group L.L.C.

Location

Livonia, Michigan

Web site

www.harvardlink.com

If there's such a thing as one-stop shopping in the pharmaceutical business, The Harvard Drug Group L.L.C. of Livonia, Michigan is it. From behind the counter to the front of the store, Harvard is uniquely positioned as a secondary brand wholesaler and generic and consumer products distributor. They sell to retail customers, medical professionals and managed care providers across the country.

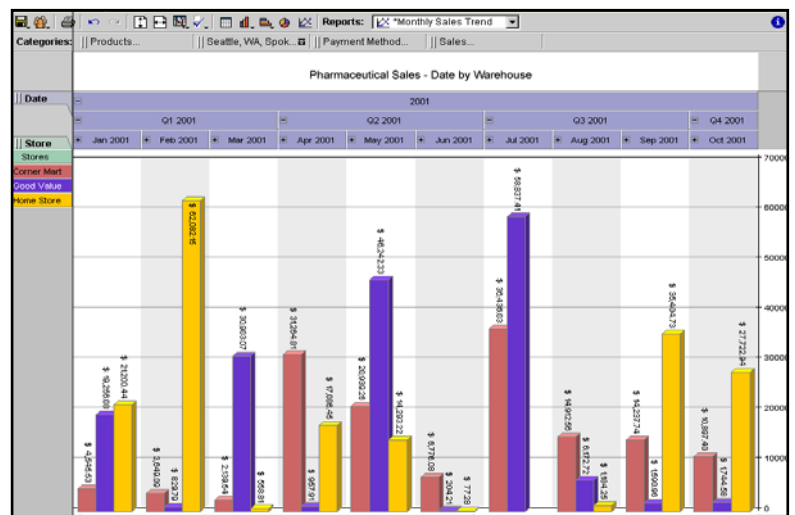
Not surprisingly, a huge and disparate operation like Harvard generates a massive amount of sales data. Until recently, that data was creating big problems for Debbie Larsen, The Harvard Drug Group's Director of Sales Operations.

"We were using an outdated version of Cognos to support sales reporting for executive management, but it just wasn't working," Larsen says. "The system provided very limited data access when we acquired it in 1997, and as our company grew it simply couldn't keep up."

And there was a lot to keep up with. Harvard manages its three product lines (brand name Rx, generics and consumer products) separately. As well, the firm operates three warehouses (in Indianapolis, Detroit and San Diego) each of which ships merchandise from one or more of Harvard's lines. Data from each product line and warehouse is collected separately. And to make matters even more

challenging, in 1996 Harvard acquired Major Pharmaceuticals which had a data reporting system all its own. The sales team, however, which Larsen's group supports, is organized by customer and by region and sales reps sell all product lines (both Harvard and Major) and ship from all three warehouses.

"We were collecting all this data from all different sources, but our software wasn't able to integrate it," Larsen says. "To get it into some sort of meaningful format, something that management could actually use to make



Data can be delivered in any way the operational manager needs to see it.

real decisions, we had to take data from all over the place and manually mash it together."

All that "mashing" took its toll. Larsen and her staff spent hours each day kludging together static reports. Because Cognos was unable to extract information from Harvard's data warehouse, the company's IT staff had to input it all manually. Only limited data could be analyzed until the month was completed. "It was absurd," says Larsen. "We literally had to wait until June to look at May!"

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The situation was going from bad to worse, with increasing demands for more and more reports, with no solution in sight. Upgrading Cognos was prohibitively expensive (an estimated \$50,000 in software license fees alone) and would do nothing to help bring Harvard's incompatible data sources together. And a short-lived experiment with an application based on Crystal Reports had produced little more than a steady stream of error messages.

Fortunately, at a meeting with Subject, Wills & Company (SWC), Debbie Larsen happened to vent her frustration. Subject, Wills, a full service IT consulting firm and Databeacon partner, had been called in to design a new Web site for Harvard. But when SWC learned what Larsen was up against, they saw an opportunity to solve a major problem and arranged for a Databeacon demonstration.

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And the price was right too. SWC was able to deliver the entire project, including 10 software licenses, consulting fees, training and implementation for less than the cost

of a Cognos software upgrade. Databeacon was deployed on a Blade server running Linux and worked perfectly with Harvard's existing SQL Server database. And without a huge and messy client/server back end (Databeacon is a completely web-based application) deployment was quick, straightforward and didn't require the purchase of a single piece of new hardware.

Just six months after deployment, “mashing” of data is a thing of the past for Larsen and her team. “Now it doesn't

matter where the data is coming from,” she says. “We can slice it and dice it and deliver the data in any way, based on what each individual wants. Anyone with access to the system can drill right down to the level of a single sales rep or up as far as the director level. We can sort by vendor, by product, by region. It's completely intuitive and self-serve. If you get an idea and you want to see your data in a whole new way, there's no waiting, there's no going back to IT, you just do it!”

Databeacon has helped Harvard realize huge savings in labor costs as well. The time to produce a routine daily sales report has dropped from an average of three hours to

under thirty minutes. A more complex monthly report that previously took almost a full day to prepare can now be generated in less than an hour. Perhaps the most spectacular example occurred in the calculation of rebates to buying groups. Prior to Databeacon, rebates had to be calculated by manually pulling data from multiple sources then computing total sales volume for each group (more “mashing”).

“Doing rebates was a full-time job for one person, plus a portion of my time each month was spent crunching numbers to support the rebate program,” Larsen says. “With Databeacon, the

entire process is much more efficient and the time to calculate rebates has been significantly reduced.”

Perhaps not surprisingly, The Harvard Drug Group sees a bright future with Databeacon. They have already purchased Databeacon's per processor, unlimited-user licensing. Subject, Wills has been asked to develop a Databeacon application to help with productivity management within Harvard's warehousing operations. And plans are underway to expand Databeacon into finance and operations.

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No: 609