

A WHITE PAPER FOR PHARMACIES

# The Case for Best-in-Class Purchasing Automation and 5 Ways to Achieve It



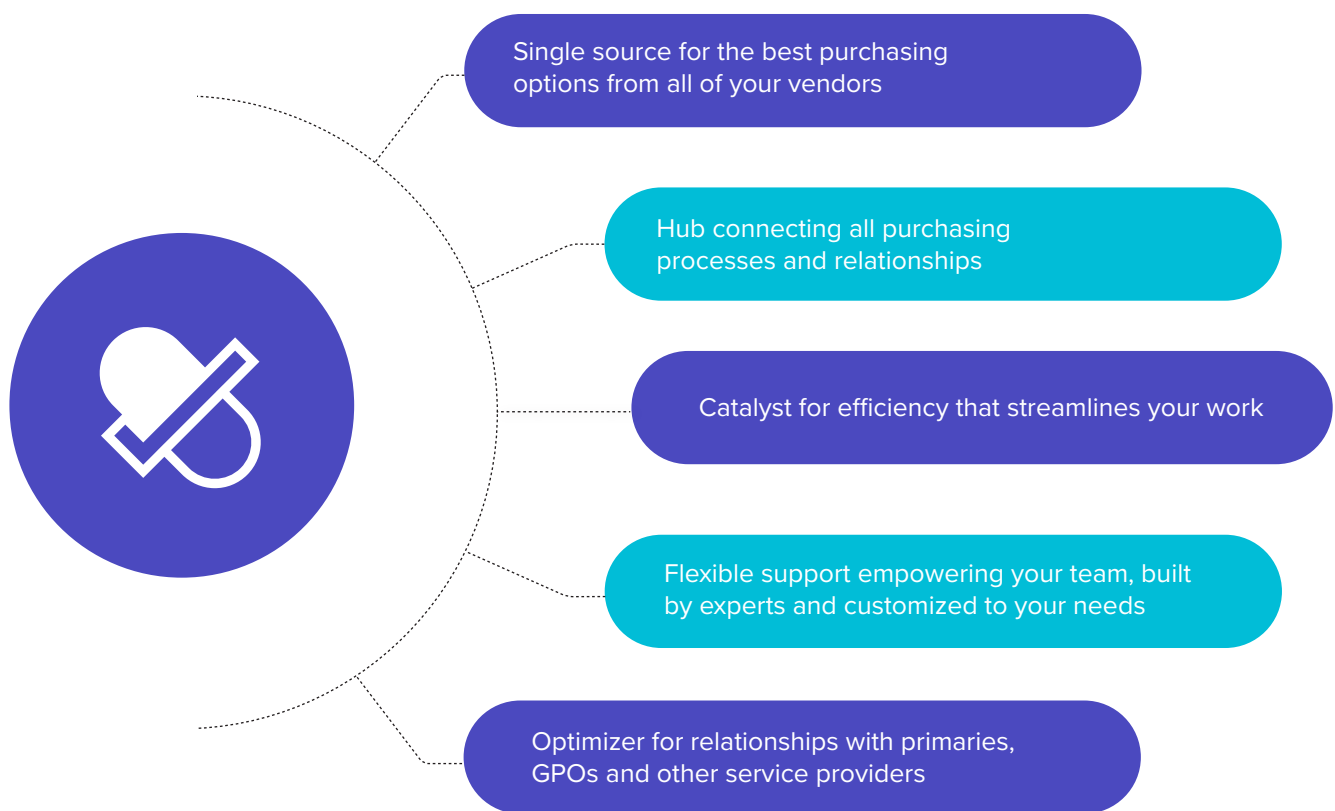
**Purchasing automation is harnessing the power of advanced technology to enhance your purchasing process and optimize purchasing management services.**

## Purchasing Automation

“Purchasing automation” may sound like just using electronic systems to buy pharmacy products. But best-in-class purchasing automation is a critical piece of your pharmacy’s success.

What do we mean by best-in-class purchasing automation? It’s harnessing the power of advanced **technology** to enhance your purchasing **process** and optimize purchasing management **services**. With it, you gain an integrated, accurate and efficient solution for all aspects of your purchasing.

**This paper will show you how SureCost delivers best-in-class purchasing automation as a:**



**First, let’s examine what’s at stake when it comes to relying on manual purchasing. Then, we’ll discuss why you need best-in-class automated purchasing. Finally, we’ll show you how SureCost delivers those capabilities.**

**Save Time, Stay Compliant,  
Work Smarter**



# The True Cost of Inefficient Purchasing

Purchasing makes up a huge part of your pharmacy's cost of goods sold (COGS) in terms of total cost for pharmacy operations. **For some retail and LTC pharmacies** SureCost works with, COGS makes up as much as 85% of their spend. And purchasing is a complex, often tedious process that can eat up hours of time for you and your staff (without even guaranteeing you've found the best options).

**85%** For some retail and LTC pharmacies SureCost works with, COGS makes up as much as 85% of their spend.

Making your purchasing more efficient, in terms of saving time and money, is the quickest and most beneficial way to support your bottom line and avoid headaches. Unfortunately, too many pharmacies are just "getting by" when it comes to this cornerstone of their business.

They're stuck with inefficient semi-manual processes. They rely on repurposed technology—like pharmacy information management systems (PIMS)—that's not equipped to manage purchasing. They leave things up to relationships with vendors where that vendor holds the power. And they count on a single buyer's personal knowledge for what to purchase from which vendor, how much to order and when to buy it.

## But what happens when:



Your buyer leaves or takes an absence?



Your vendor renegotiates their contract?



Your PIMS can't integrate with a vendor's catalog?

Suddenly the technology, processes and services you have in place no longer work. This isn't best-in-class purchasing. It's a potential mess.

These purchasing processes are always at risk of failing. Those tools, systems and services aren't designed to automate the most labor-intensive and painful aspects of purchasing and inventory management.

See how much your pharmacy can **save with SureCost.**

Calculate in Seconds

# The Benefits of Best-in-Class Purchasing Automation

Pharmacies are struggling to manage vendors/wholesalers, service providers and their existing PIMS. But, to stay competitive and keep meeting their patients' needs, pharmacies have to *reject dysfunctional purchasing*.

That means leveraging *best-in-class purchasing automation*. It's time to reduce COGS, save time and money and reduce stress. Stop relying on one employee or on systems that aren't designed for purchasing.

SureCost has become the most powerful pharmacy purchasing solution on the market by providing pharmacies best-in-class purchasing and inventory automation that:



Gives you visibility into all of your purchasing options



Ensures compliance with your primary vendors



Manages purchasing orders, receiving and invoice reconciliation



Models rebates and tracks reimbursements



Empowers teams with smarter workflows

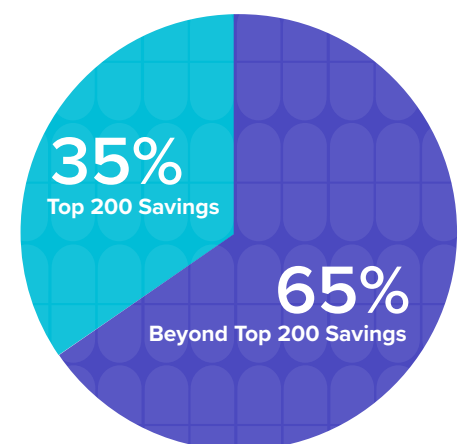


Assures regulatory compliance such as DSCSA

Along with full transparency and an agnostic approach to purchasing, our solution is designed specifically and solely to work with your pharmacy's existing processes, systems, vendors, services and technology. SureCost unifies purchasing and inventory in one integrated solution, and you never have to overhaul how you do things or add more work.

Now, let's explore how SureCost enhances technology, process and services to deliver the most robust automated purchasing solution on the market and why that will make a difference to you, your business, your staff and your patients.

## Realized Savings on COGS From a Pharmacy's Top 200 vs Beyond the Top 200 Generics



# 2%

Save 2% on average with SureCost, with additional savings on the cost of goods sold by shopping outside the Top 200.

# Peerless Technology

SureCost is the **only platform on the market built expressly for purchasing and inventory** that combines data from a pharmacy's complete procurement portfolio. Instead of retrofitting other software for purchasing or manually chaining different systems together, your pharmacy uses **one integrated system for all aspects of purchasing** regardless of the vendor.

## Save Time & Work Smarter Without Overhauling Existing Systems



### A Single Source of Truth

SureCost collects and analyzes multiple sources of data on a daily basis. You can truly see all options from your entire purchasing catalog and process. You simply won't gain that level of *visibility* from vendors or even a GPO.

With SureCost, you can unlock valuable business insights through purchasing and inventory dashboards and reports. Analyze spending patterns, spot purchasing spikes and make adjustments for better returns. Evaluating vendor agreements and managing relationships becomes a smooth, effortless experience, and you can process orders with ease and confidence.

SureCost is fully integrated with all vendors and major wholesalers as well as the majority of secondaries, manufacturers and GPOs. It also seamlessly integrates with your existing systems and applications frequently used by pharmacies for secure data sharing.

### Purchase Orders Made Easy

For one example of best-in-class automated purchasing through SureCost, let's look at placing purchase orders.

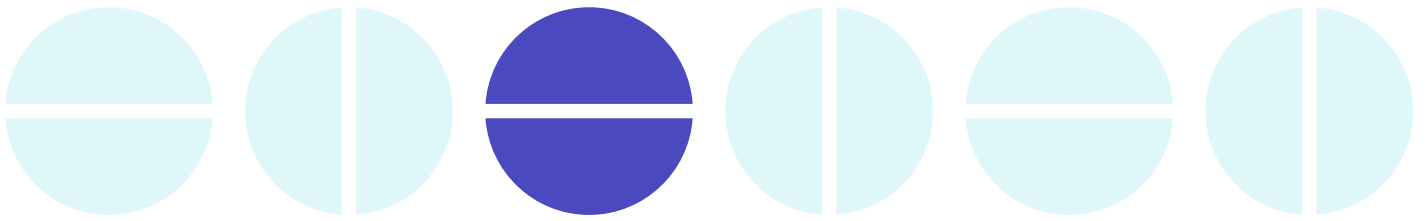
Done manually, it means searching through multiple catalogs that are constantly being updated and then placing orders through different interfaces. Even if it's a single wholesaler, finding the best purchasing option—the lowest cost, the highest reimbursement, compliant items, etc.—is challenging. Without accounting for your current inventory, you may order the wrong amount or miss out on using inventory from another location. And if you have multiple purchasers, it's hard to make sure they're consistently buying the right products.

SureCost is a single solution for automatically finding the best purchasing option and placing orders for your entire vendor portfolio. With SureCost, you don't have to pore over multiple catalogs, place orders through several websites and worry about finding the actual best option amidst the mess of data. And SureCost's inventory management solution automates that process while suggesting what quantity to order based on past volume and dispense.

You gain transparency into your purchasing through an efficient process that incorporates all of your vendors. That lets you discover new savings opportunities, confirm compliance with your primary vendor and gain back time and energy to spend serving patients.



**Automatically find the best purchasing options and place orders for your entire vendor portfolio**



## The Missing Piece of the Purchasing Puzzle

SureCost improves how you shop for prices, but best-in-class automated purchasing gives you more than that. It's more *focused* and *flexible* than a PIMS and much more than a catalog.

Our integrated solution includes all primary vendors—a capability you won't find anywhere else—to make all aspects of procurement *smarter* and *easier*. A cloud-based interface allows you to do anything you need on the web (without having to manage or link multiple databases), including customization for “Track and Trace.”

You can use a single platform to compare options, place purchasing orders and receive items. If you're buying from secondaries, SureCost shows how those purchases might impact compliance with your primary vendor. Once you've received your items, SureCost's Accounts Payable integration and three-way invoice matching makes reconciling invoices stress-free.

SureCost also allows you to optimize stock and replenishment. You can access inventory from any location using your own mobile device. That lets you restock products using excess inventory and avoid placing unnecessary orders. SureCost also tracks and reports on all transaction data so you know you're compliant with DSCSA.

### Smoother Invoice Reconciliation

Here's another example of SureCost in action. When it comes to reconciling/posting invoices, you might have orders for hundreds of products across multiple invoices. Receiving items, confirming you got the right product at the right price and then posting that information to Accounts Payable—including granular info like shipping costs, taxes and credits for unreceived items—is time-consuming and complicated.

SureCost's Accounts Payable integration provides a “three-way match” for purchasing, receiving and accounting. You can confirm purchases at each step, including the data flowing through to accounting, and hold invoices until credits are released. Throughout, you can use electronic notes to document progress and run reports to review the status.

**It's more accurate and a lot simpler to use SureCost. There's no need for emails, post-it notes or marking up invoices!**



Smith Pharmacy is estimating they **save nearly \$300K** a year with SureCost!

[Read Case Study](#)

# Enhance Your Purchasing Decision-Making Process

SureCost allows you to automate selected purchasing decisions like recurring orders and configure replenishment based on real-time usage. *Flexible* automation incorporates all of your exceptions. You decide which products, categories or other variables you want more control over. We also offer a mobile app to easily manage purchase orders anywhere you receive items or do inventory.

## A Catalyst for Efficiency

With greater *visibility* into your entire purchasing catalog, automating your purchasing process opens up more opportunities for savings. You'll find the best purchasing options at your fingertips without disrupting any of your current processes or creating more work for your team. And you get back hours to work with patients (not juggle purchasing interfaces).

You and your team don't have to waste time and resources on repetitive, time-consuming tasks and feel crushed by tedious manual processes. And because SureCost integrates seamlessly with your current systems, you can identify areas for improvement and implement steps to enhance those areas.



Get greater visibility into your entire purchasing catalog



Get back hours to work with patients



Identify areas for improvement and implement steps to enhance those areas

## Tools to Support You Built By Experts

Some pharmacies may be comfortable with their existing process. Automation may seem unnecessary. Even given the opportunity to expand their purchasing options and save more, the prospect of automation may feel too difficult to implement.

SureCost is designed and managed by a team of pharmacy professionals with over a century of collective experience in the industry. We understand what's needed to run a successful pharmacy and the challenges you face. And we know there are only so many hours in a day, and they should be spent serving patients.

That's why we've designed SureCost to enhance your existing work, saving you time and money without giving you more to do or rehauling your existing processes. More important than our technical knowledge, we understand that technology can never replace people, but it can empower them, make their jobs easier and let them focus on what matters most: serving patients.

**By fully optimizing your purchasing and inventory process, your pharmacy can be more profitable, and your staff will thank you. And we do the heavy lifting for you!**

**100+**  
**YEARS**

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## Smart, Simple Receiving

As another example of what SureCost can do, think about manually receiving products. It means randomly taking items out of a tote and trying to match them against a packing list or invoice. It's time-consuming, tedious and prone to error. And while some wholesalers provide a receiving tool for their products, you can't use it to verify what you ordered against what you received, and it won't accommodate purchases from other vendors.

SureCost automates and simplifies receiving through a single integrated system right on your mobile device. Scan the items, confirm product and quantity and then easily shelf them so they're immediately ready to dispense. Receiving becomes more convenient, accurate and efficient. You and your team can get back to more important tasks and rest assured you have what you need on your shelves. That's alongside ensuring you always get what you ordered at the right amount for the expected price.



## Optimize Your Purchasing Management Services

Just as your pharmacy has come to rely on certain processes internally, we know that your business depends on relationships with a variety of partners such as wholesalers, secondary vendors, GPOs and insurance carriers. Because we understand the complex pharmacy purchasing ecosystem and respect our customers' relationships, we designed SureCost to *enhance* those relationships and fill in capabilities that may not be in place.



## Maximize Your Primary Vendor Contract

At SureCost, we are true believers in full *transparency*. We want to ensure pharmacies never have to worry about pricing surprises. You should always receive the right amount of the product you ordered at the agreed-upon price. That's why we provide invoice matching and auditing.

SureCost's Primary Vendor Assurance (PVA) means that, even as you expand your purchasing options, you ensure compliance with your primary vendor. See how purchases affect compliance and configure the system to drive to selected items. Our solution automatically models rebates to show you the dead-net cost of a purchase so you find the actual lowest price (not just the cheapest one listed in the catalog). Internal and external auditing verifies pricing to ensure that your team stays compliant while getting rebates.

Even if you're working with a single vendor, a wholesaler may list multiple drugs at different prices in the same product group. SureCost's real-time, data-driven insights give you a 360 view of your purchasing and inventory systems so you always find the best option. You keep your costs down and experience the true saving potential from your primary vendor!

# 360°

SureCost's real-time, data-driven insights give you a **360 view of your purchasing and inventory systems** so you always find the best option



## SureCost doesn't replace a GPO, but it does give you greater visibility, accountability and insight into how you work with it.

### Assured Primary Vendor Compliance

To confirm that they're compliant with a primary vendor's purchasing requirements, pharmacies usually have to wait for a wholesaler's report that may not be sent for weeks or even months. And it won't give details like total spend (such as sourced versus generic items). Pharmacies have to take the wholesaler's incomplete, untimely information at face value and can't verify data that affects their reimbursement and purchasing strategy.

With SureCost's Primary Vendor Assurance (PVA), you can set compliance targets for the system to automatically drive to those items and optimize your overall purchases based on other products and through secondary vendors. You can also track and analyze rebates in real time. SureCost also notifies you of potential compliance issues and alerts you if a specific product was not purchased and why an exception was made.

SureCost gives you the autonomy to track compliance with your primary vendor on your time and on your terms. You also gain transparency into your purchases, including categories and rebates, alongside the flexibility to purchase outside your primary vendor without worrying about compliance.



Set compliance targets for the system to automatically drive to those items



Track and analyze rebates in real time



Get notified of potential compliance issues

### Strengthen Your GPO Relationships

Group purchasing organization (GPO) membership lets pharmacies negotiate better product prices. Yet GPO members still face challenges including consistent compliance with these prices, integration with systems such as their PIMS and expediting cash rebounds for incorrect pricing.

For example, wholesalers won't honor the GPO price if an NDC is on multiple contracts—including your primary vendor's source program. A wholesaler only provides a single price in their portal. That doesn't give you correct pricing, compliance with your PVA T&C or price saving opportunities within your GPO and source.

**Pharmacies need a tool to optimize the benefits of their GPO alongside opportunities from other trading partners. They also need to ensure they're getting those benefits from the GPO without adding additional work.**

If you're already working with a GPO, SureCost enhances what you already have in place. SureCost's tools for greater *visibility* give pharmacies more purchasing options, more insights into that relationship, and more oversight of that wholesaler. We also provide real-time pricing updates so that you are guaranteed to get the best purchasing deals while staying compliant.

More purchasing options

More insights

More oversight

**SureCost doesn't replace a GPO, but it does give you greater *visibility, accountability and insight* into how you work with it.**

# \$150K

A pharmacy **saving 3% with SureCost**, purchasing an average of **\$3M annually**, will save **\$150,000 yearly!**

## Give Yourself Autonomy

The pharmacy purchasing ecosystem isn't designed for transparency or convenience. That's why there are so many independent service providers you can hire for everything from inventory to regulatory compliance. That means another contract to manage, another provider to oversee and another bill to pay. But you'll never find someone who knows your business like you.

The advantage of using SureCost is that we integrate with your existing systems and are much more flexible than a traditional service provider. For example, our solution combines all of your existing catalogs to calculate cost savings based on real-time pricing updates at the time of purchase along with any of your selected purchasing rules and exceptions. From there, we integrate both receiving workflows and accounting systems as well as dynamic inventory management.

**In other words, you're not consulting (and paying) external companies. You can do it all and accomplish it more efficiently and intelligently than any third party can because you know your business best.**

## Conclusion

The pharmacy purchasing ecosystem is complex and constantly changing. To stay competitive, pharmacies have to do more than find lower prices. Your pharmacy needs to harness unique technology that will enhance your purchasing decision-making process and optimize your purchasing management services.

You'll save time and money, work more efficiently, and secure compliance both with your primary vendor and regulatory authorities and from your trading partners. More importantly, you'll deliver the best service to your patients, whether it's always keeping the right products on hand or having time to spend with them.

**Ready to see how SureCost can support your pharmacy to streamline workflows, provide cost of goods saving and reach your purchasing goals while gaining a return on investment?**

**Let's Talk**