

Acumatica Cloud ERP Provides Foundation to Digitally Transform Pharmaceutical Distributor



OVERVIEW

ProPharma Distribution, LLC was created to deliver personalized customer service to the surgical care industry, providing medications facilities rely on. The company outgrew QuickBooks and moved to what seemed to be a simple system based on multiple point solutions perceived as “best-of-breed” with Microsoft Dynamics at the center. The complicated environment required a huge amount of labor and expense to maintain and keep operational. After working with a new IT partner, ProPharma quickly moved to Acumatica and gained stability and an interconnected platform for growth.

SITUATION

When ProPharma Distribution outgrew QuickBooks, President Levi Ellis and IT Director Charles Snyder initially implemented Microsoft Dynamics GP and CRM. The strategy behind this solution had been to quickly address specific business challenges with perceived best-of-breed solutions. Unfortunately, as the company grew and evolved, the set-up proved to be too complex. Even worse, the systems didn’t talk to each other, requiring high labor costs for manual change management.

eConnect was added to pass orders from Dynamics CRM to GP to the warehouse. Daily down time issues with eConnect were prevalent. “We couldn’t get a consistent flow of business transactions because the information was in different applications, and downtime prohibited process momentum,” Snyder says.

Adding to the order processing headaches, ProPharma also needed to track every medication making sure every unit of drug from the point of manufacture and supply chain to ProPharma and then out again can be traced. It’s an FDA requirement known as Pedigree tracking that ProPharma managed as a manual process.

FDA Pedigree tracking is known for its complexity, essentially a supply chain of custody—the chronological documentation of the control, transfer, analysis, and disposition of physical pharmaceutical medications.

ProPharma uses a unique sequence of numbers to tag the product as it comes into their warehouses, a number that sits on the receipt side of the software. They print out a Pedigree tag with a bar code, and then when the medication is picked from the warehouse, someone manually types the number into the invoice, Snyder explains.

Imagine entering in 20-digit numbers for each of what could be 10 to 20 medications. With any such manual system, there is human error, which must be caught and corrected.

Spending far too much time supporting all the different elements of the business as well as contending with daily downtime, Ellis and Snyder worked with Mark Mynatt of DCAA Solutions, an Acumatica partner, to conduct an audit of the aging, unreliable system. “The upgrade path to get everything fixed was crazy complicated,” Mynatt says. “I told ProPharma that if there was a hiccup in the system, the whole thing could unravel.”

COMPANY

- **Location:** Westminster, CO
- **Industry:** Wholesale Distribution of Surgical Pharmaceuticals
- **Application Replaced:** Microsoft Dynamics

SOLUTION

- Acumatica Financial Management
- Acumatica Distribution Management
- Acumatica Customer Management

KEY RESULTS

- Gained stable, reliable, interconnected cloud-based platform
- Eliminated downtime allowing executives to focus on growing the business
- Acumatica Cloud xRP framework speeds customization that includes FDA Pedigree compliance & traceability
- Annual savings of \$120,000 from reduced IT staff and licensing costs

LEGACY SYSTEM CRASHES

Soon after ProPharma began to implement Acumatica, the legacy system crashed. “We had been doing a good job of keeping it running up until that point,” says Snyder. “The whole system had started to collapse upon itself, but we kept putting Band-Aids on top of Band-Aids. We hobbled along until we had a power surge,” he explains.

The power surge destroyed two of the drives, which is extremely rare, but it caused a puncture and corrupted data. Soon, the corrupted data was being copied across all drives, and the company completely shut down. “I spent three weeks camped out on a cot I set up in the office and I was on the phone constantly with Citrix, Microsoft and Dell to recover the data and get the server back up and running at a minimum level,” Snyder says.

Forced to recreate two months of entries from paper, the industry standard when it comes to traceability and compliance regarding medications, Snyder and his team were up and running at last. “But it was never the same,” he says.

Mynatt explains: “We had slated the go live with Acumatica, but when all the technology unraveled, we had no choice but to scramble and get ProPharma what they needed. It was an amazing effort on everyone’s part.”

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– Charles Snyder, IT Director

BENEFITS: ProPharma Growth Unleashed

Acumatica is based in the Cloud so ProPharma executives now have peace of mind and the ability to focus on growing the business, no longer worrying about servers going down or whether transactions are booked and completed without error.

This is critical since ProPharma’s needs far exceed that of a typical distribution industry client. Snyder says, “We function in a very fast paced environment where prices can change hourly. We have to be in-tune to the market as well as distribution.”

“Acumatica has provided a consistent, up-and-running environment with no downtime, which translates into our ability to focus on the business,” he adds. “We now have one environment and one database that we can access from anywhere.”

In addition, Acumatica’s integrated CRM and ERP have eliminated the need for add-on pieces that complicated their prior setup with Microsoft Dynamics. “We haven’t had any of that with Acumatica; it’s one fantastic system,” Snyder says.

Acumatica’s mobile access means there is no need for a VPN; remote salespeople can log in from anywhere with a simple internet connection. Users don’t have to limit their use or sign out to allow others to access the system like they did with Dynamics.

“We can scale up without having to change anything, we can simply add more users,” Snyder says. And they can do that without worrying about the cost of each new user, thanks to Acumatica’s unlimited user licensing model.

“We’re now just under 40 people but we’re adding one to two salespeople a month and Acumatica has allowed us to do that,” he says. With Dynamics previously, adding more staff would have been costly.

“Acumatica’s unlimited user licensing model and cloud-based platform has saved ProPharma \$120,000 annually when factoring in a reduced need for hardware, an IT staff member to support it, and less money spent on licensing costs.”

– Charles Snyder, IT Director

Acumatica Cloud xRP Platform Foundation for Making Pedigree Digital

Arguably the biggest benefit will come when DCAA completes the software development to make FDA Pedigree tracking fully digital.

“DCAA is custom crafting part two—where the number comes in on the receipt line, attaches itself to inventory and then pushes itself out to the invoice,” Snyder says. “Then there will be no more manual Pedigree management; it will be fully automated with the number flowing through the warehouse. Mark Mynatt of DCAA has been fantastic and invaluable in the effort.”

Both a Software Developer and Solution Provider, Mynatt says that Acumatica’s singular Cloud xRP platform and the software’s flexibility make it possible to customize in many ways. “The tools within Acumatica give me the ability to do it beautifully,” he says. “Without the Acumatica framework, it would take twice as long to develop and test Pedigree; the platform is so powerful.”