



A WHITE PAPER FOR PHARMACIES

3 Ways **Best-in-Class** **Purchasing Automation** Optimizes GPO Membership



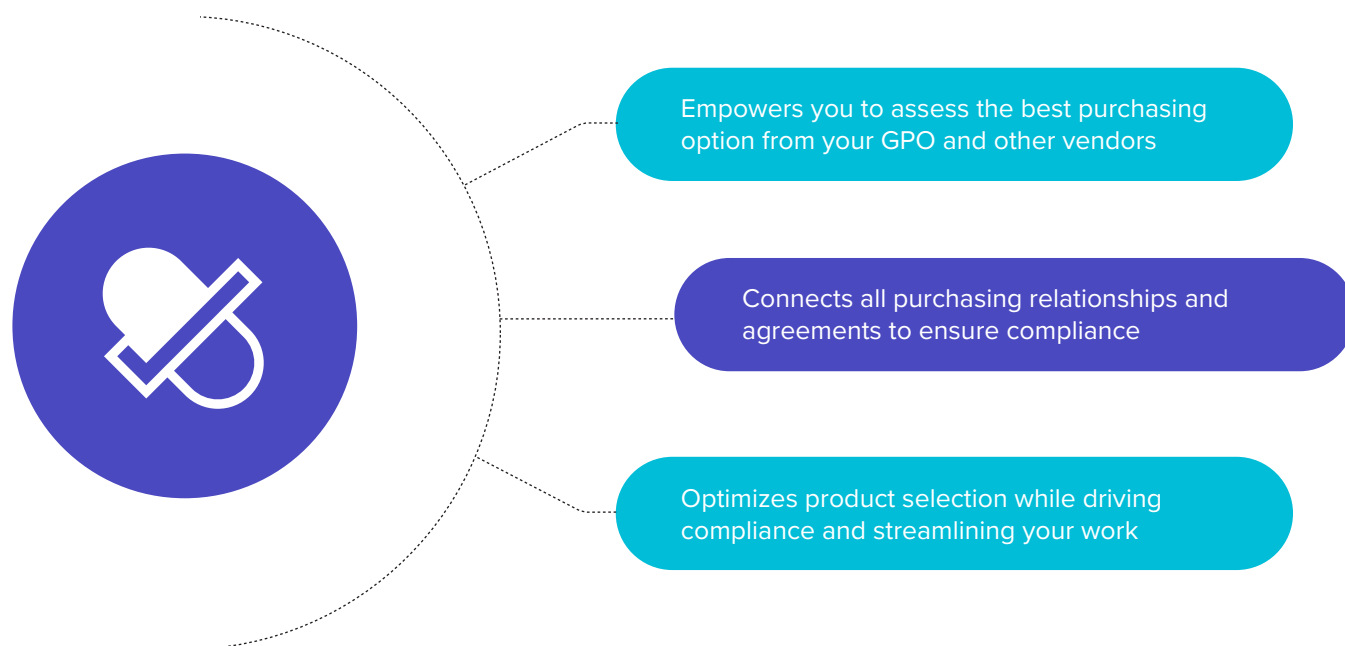
Through best-in-class purchasing automation, pharmacies can harness advanced technology to enhance their purchasing process and optimize the services provided by their GPO.

Purchasing Automation

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

Even with the benefits of GPO membership, these pharmacies still face challenges. But through *best-in-class* purchasing automation, they can harness advanced **technology** to enhance their purchasing **process** and optimize the **services** provided by their GPO. You can derive the maximum benefit from that relationship alongside any other trading partners—but you have to know how.

This paper will show you how SureCost delivers best-in-class purchasing automation. Our solution empowers you to assess the best purchasing option from your GPO and other vendors, connects all purchasing relationships and agreements to ensure compliance and optimizes product selection while driving compliance and streamlining your work.



SureCost doesn’t replace a GPO. But it gives you greater *visibility, accountability, insight, convenience* and *efficiency*.

First, let’s examine the challenges and pain points for GPO members. 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**



Inefficient Purchasing Hurts GPO Members

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 LTC pharmacies SureCost works with, COGS makes up as much as 85% of their spend.

85%

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

While group purchasing organizations (GPO) negotiate better product prices, their members still need to ensure consistent compliance with these prices. 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.

GPO members also face challenges integrating with systems such as their pharmacy information management system (PIMS). Too many pharmacies are just "getting by" through inefficient semi-manual processes and repurposed technology that's not equipped to manage their complex purchasing ecosystem.

They're also leaving a lot of information and decisions up to others. As just one example, pharmacies looking to optimize product selection on cost or spread may have to rely on retrospective reports from their GPO. Or they may discover incorrect pricing after receiving products and then have to manage manual processes for cash rebounds.



Too many pharmacies are just "getting by" through **inefficient semi-manual processes** and **repurposed technology** that's not equipped to manage their complex purchasing ecosystem.

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

Calculate in Seconds

Best-in-Class Purchasing Automation Enhances GPO Membership

GPO member pharmacies are struggling to ensure they're always receiving the benefits of that service. They need a solution to ensure they're consistently getting those benefits from their GPO alongside opportunities from other trading partners.

Best-in-class purchasing automation provides tools for greater visibility into purchases through GPOs and any other vendors. Real-time pricing updates guarantee you get the best deals while ensuring compliance with your primary vendor and other agreements.

Just through its work with GPO, SureCost actually services 42% of the LTC market (in addition to non-GPO LTC customers as well as retail and acute care pharmacies).

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



Grants *visibility* into all purchasing options, automatically comparing prices and modeling potential reimbursement through rebates



Ensures *accountability* for GPOs and other vendors to honor contract prices and send accurate, timely reimbursements



Provides *insight* into purchasing opportunities, potential ROI, financial analytics and business intelligence



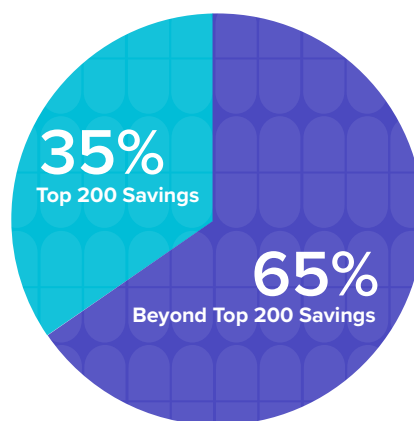
Raises *efficiency* with smarter workflows for all aspects of purchasing including receiving, invoice reconciliation and regulatory compliance



Offers the *convenience* of a single purchasing management solution integrated with your existing processes and systems

Let's show you how SureCost delivers these capabilities by enhancing technology, process and other services. We deliver the most robust automated purchasing solution on the market, and it 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 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 With One Integrated System for All Aspects of Purchasing



Gain Visibility

SureCost collects and analyzes multiple sources of data on a daily basis, accounting for GPO pricing, source pricing and any secondary vendors you choose to add. You can truly see all options from your entire purchasing catalog at the time you place a purchasing order.

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

Instead of waiting for reports from a trade partner, you do your own analysis on your time and your terms—whether it's by NDC, product group or other level. Plus, because SureCost is fully integrated with all vendors and major wholesalers as well as the majority of secondaries, manufacturers, and GPOs, you review your entire purchasing portfolio through one interface. That's visibility and detail you can't get anywhere else.

Purchase Orders Made Easy

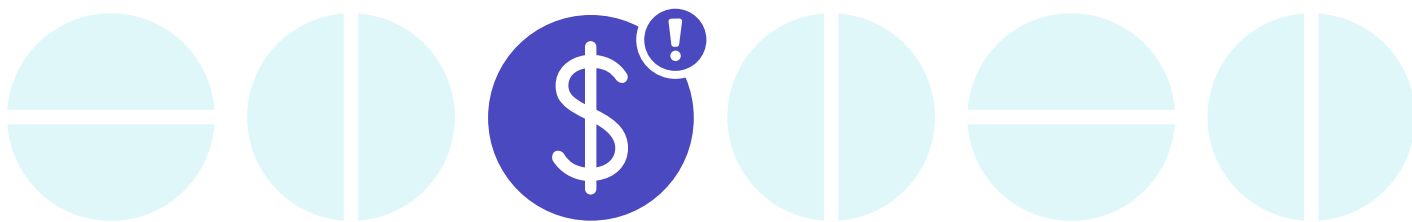
For one example of best-in-class automated purchasing through SureCost, let's look at placing purchase orders.

Done manually, it means searching through multiple catalogs and making sure you're finding the true best option—whether it's from your GPO or elsewhere. As just one example, a single NDC was listed on both the GPO contract and the primary vendor's source program. The primary vendor's catalog price for their source program was \$1.90. But the GPO contracted price was \$1.59. SureCost identified this discrepancy before the customer made a purchase.

SureCost gives you visibility 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 stress less.



**Discover new savings opportunities, confirm compliance
with your primary vendor, gain back time and stress less.**



Ensure Accountability

SureCost improves how you shop for prices, but best-in-class automated purchasing also makes sure GPOs and vendors honor those prices.

SureCost enables pharmacies to validate whether contract prices are being honored in real time. You can also track GPO rebates for purchasing volume and dispensing in real time (e.g., as purchasing or dispensing data is captured). SureCost also sends daily notifications about compliance issues and generates reports for credits/rebills.

If an item is invoiced at a higher price, SureCost captures these variances and summarizes all the information in a report you can provide to your primary vendor. You can understand where items are being invoiced incorrectly with multiple contracts for the same NDC. That lets you ensure you always get the right amount of the correct product at the agreed-upon price.

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, shelf them so they're immediately ready to dispense or flag incorrect or mischarged items and easily generate reports to address the discrepancy with the vendor. Alongside ensuring you always get what you ordered at the right amount for the expected price, convenient, accurate and receiving lets you and your team get back to more important tasks.



SureCost helped LTC Pharmacy Management unlock data from their entire portfolio of wholesalers, instantly find the best purchasing options, and place orders through a single interface.

[Read Case Study](#)

Enhanced Purchasing Process

Even with all the benefits of a GPO, pharmacies need to understand their ROI and purchasing opportunities. That means gathering business intelligence, financial analytics and market information for transparency into the options and benefits of their entire portfolio: GPOs, primary, secondaries, etc.

Drive Insights

Through integration with third parties, SureCost provides pharmacies with information needed to enhance operations and determine strategy. Market information also enhances customer service while reducing lost opportunities due to pricing and item shorts.

GPO members gain better insights into purchasing and better management of contracts so they can reduce costs, gain a solid revenue stream for administrative fees and attract new customers. They also reduce erroneous practices and save time (e.g., on the float period used by the wholesaler and for GPO staff auditing 30–60 days after a purchase).



Gain better insights into purchasing to reduce costs



Gain a solid revenue stream for administrative fees and attract new customers



Reduce erroneous practices and save time

Leverage 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. Integrated workflows for purchasing, receiving, and reconciliation also mean you and your team save time on tedious, time-consuming tasks. Instead of comparing catalogs, chasing down personnel to approve invoices or playing phone tag with vendors, you gain back hours to spend with patients or focus on strategy.

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. Scan, request, transfer and receive items from your terminal or right from their own mobile device.

SureCost also houses a sophisticated range of product data required by DSCSA (such as lot and serial number) and other regulations. It's equipped to scan and verify DSCSA-required transaction data immediately at receipt and flag non-compliant items.

100+
YEARS

SureCost is designed and managed by a team of pharmacy professionals with over a century of collective experience in the industry

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!

Optimal Services

Pharmacies depend 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 through a single integrated solution.



Increase Convenience

Use SureCost to compare options, place purchasing orders, track rebates, and receive items and reconcile invoices. Through integrations with your existing processes and systems, you can analyze your purchasing as a holistic ecosystem (not a series of separate databases or manual transactions). You don't have to overhaul how you do things. You work smarter without adding more work just to get there.

SureCost also works seamlessly with a variety of third-party software. For example, integration with NetRx enables GPO-member pharmacies to analyze cost data for enhanced margin control and configure SureCost to drive compliance to those items to maximize reimbursement.

With SureCost's Primary Vendor Assurance (PVA), even as you take advantage of GPO pricing and other 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.

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. You keep your costs down and experience the true saving potential from your primary vendor!

The advantage of using SureCost is that we integrate with your existing systems and are much more flexible than a traditional service provider.

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

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.

Combine all of your existing catalogs to calculate cost savings based on real-time pricing updates and any purchasing rules and exceptions

Integrate both receiving workflows and accounting systems as well as dynamic inventory management.

\$90K

A pharmacy **saving 3% with SureCost**, purchasing an average of **\$3M annually**, will save **\$90,000 yearly!**

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 and 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