



## The Company

Associated Pharmacies, Incorporated (API), is a member-owned buying Cooperative that provides independent pharmacy owners an opportunity to buy like a chain. API is owned by American Associated Pharmacies (AAP), a Minnesota-based Cooperative made up of over 2,000 retail community pharmacies. API is the distribution arm of AAP and services the entire United States with pharmaceuticals shipped to all 50 states. The company has two distribution centers, located in Scottsboro, Alabama, and Memphis, Tennessee. API has approximately 200 employees between its Alabama and Tennessee locations. The company stocks about 3,000 SKUs and carries pharmaceuticals, over-the-counter merchandise, and service coal chain as well.

### Industry

Wholesale Distribution,  
Pharmaceutical

### Requirements

Compliance, WMS, Demand  
Planning, Analytics, e-Commerce

## The Solution

VAI's pharmaceutical software was the primary factor in API's switch from their previous system to VAI S2K. Their prior software lacked many of the features they required to handle licensing and compliance concerns, particularly considering the impending changes to some pharmaceutical sector rules. There was no strategy in place for the prior system to handle the upcoming rules. When API met with VAI to review the S2K Pharma software, they noticed that VAI's pharmaceutical solution is extremely well-integrated with tools in place for how the program will handle the impending restrictions.

API's orders come into S2K through quite a few different sources. Utilizing VAI's web portal is important because it's the primary source where all API's orders come from. According to Forrest Williams, General Manager at API, the web accounts for about 70% of the company's incoming order value. API also takes orders in through EDI. There is some point of purchase programs that API's customers may use with a third-party process to get the orders to API. Said Williams, "We do get a few phone orders, so there's some hand-keyed stuff. The primary source is from the website or the portal that we use, and it's continued to grow since we've

switched over to S2K. It was made up just under 60% of the order volume, when we switched over to VAI, and it's grown steadily. Every month there's an increase, and we're up to just over 70% now."

API must be compliant with DEA regulations to look for potential diversion of controlled substances. They use the VAI S2K suspicious order monitoring program to assist them in identifying potential suspicious orders. It holds orders that the system identifies that may be outside of a normal ordering pattern, order frequency, or potentially a larger order than they normally would place. Said George Euson, Director of Compliance at API, "The team uses the S2K dashboard to assist in looking at not only the suspicious order in question, but at the entire ordering pattern and ordering history of a particular customer on what they've ordered in the past, and the quantities they've ordered. This allows them to better determine whether an order is potentially suspicious or not."

RF gun picking technology and an A-frame are the tools utilized by API to pick warehouse orders. The orders are brought to API's verification stations once they have been chosen and have gone through their marrying



*The Solution continued:*

procedure. Continued Williams, “We do a 100% QC check on all the product, and it’s put into

boxes and sent to our invoicing station added when we switched to S2K. In adding that station separately from our verification

process, we were able to pick up a 20% increase in the lines per hour we processed in the warehouse.”

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## The Results

VAI S2K has impacted API’s customers in a positive way. From their point of view, they can see exactly what they need to see, from pricing, the type of items they’re ordering, and carts at checkout. According to Adrianna McQueen, Customer Service Supervisor at API, “We had a lot of issues

before with carts, where items would go out of stock, customers didn’t know, they placed the order, didn’t get it, and we’d get complaints.” With VAI, the system will notify the customer if an item goes out of stock and lets them know they cannot submit that order until they modify it. Continued McQueen, “It’s a lot more user-friendly.”

With VAI Software, API has achieved:

- 20% increase in lines per hour processed in the warehouse
- 10% order volume increase and growing
- Ability to better determine whether an order is potentially suspicious

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“VAI has been a great partner for API and the company relies on VAI for help and expertise. VAI has knowledgeable staff who know our business so we’re not needing to retell the story over and over again. It’s what’s meant the most to us.”

Clint King, President, Associated Pharmacies, Inc