



Discount Drug Mart Inc. Case Study

Background: Discount Drug Mart, Inc., is an Ohio-based regional drugstore chain that has 67 locations statewide. Its 25,000 square foot stores each stock more than 40,000 items and include a number of service centers and amenities more typically found in general merchandise stores. Discount Drug Mart had always known what products were shipped to each store but had no way to extract its sales data. With so many different product SKUs and thousands of transactions taking place each day, it needed to find a way to examine and dissect its data to better understand what was selling and what wasn't, and how shifts in pricing affected profitability.

Platform: PC platform

Problem Solved: In order to compete with larger chain stores, we needed to improve access to the huge volume of transactional data we collected. We had been relying on a locked system that required the help of the IT department to run reports.

Salient Corporation's Margin Minder® gives us access to sales data from all 67 stores within 24 hours of the original transactions, and it's accessible to corporate, operations, and financial executives, as well as store supervisors and buyers. We can data mine the information we capture through our POS scanning system and analyze our sales on a daily basis.

The level of detail we're able to retain allows us to easily point out differences in profit margins amongst stores, and quickly find out where the discrepancies exist so we can make changes to positively impact the bottom line. If something is priced wrong, it will show in the gross margin data. If one store is exceeding its sales projections of a particular product while others lag behind, we can find out why and mimic the success across the chain.

Product Functionality: From the start, we realized Margin Minder's benefits as a sales management tool. However, the more we used it, we discovered that its flexibility in terms of data analysis and reporting were invaluable. It has allowed us to create powerful sales presentations to current and potential vendors that show exactly what is going on with their product(s) and compare them to competitive products. In addition, we can show the difference in product sales based on those supported through advertising and promotions, and those that are not.



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In vendor meetings, this know-how and savvy demonstrates how well we understand their business and has helped us secure additional advertising budgets to increase our sales and become more profitable. Vendors often comment on how we understand their business just as well as (or better than) the larger, national chains.

Additionally, we now use Salient to calculate our retail corporate cost complement because it's more reliable than our average cost system built into our mainframe.

Strengths: Margin Minder is incredibly easy to use and allows us to manipulate the data and present it in the best way to understand it—enabling us to make changes to positively impact business. Plus, it is very fast, offering nearly real-time information and the ability to quickly drill down into details—even at the SKU level.

Weakness: Right now, we're looking for a way to tie Margin Minder into our payroll system so that, at the store level, we can compare net sales by man hours worked. Our current system does not do this.

Selected Criteria: We searched for months to find a solution that put our data to work for us. Compared with other products we reviewed, Salient was the most affordable and easiest to use. Plus, it was able to handle the sheer volume of transactions and make data available in near real time. Hands down, Margin Minder is one of the best technology investments we've ever made. It's helped us make smarter decisions, secure additional promotional dollars from suppliers, and grow our business.

Deliverables: Salient has enabled our company to quickly access a variety of reports. We can customize them to find out exactly what we need—whether it's units sold per chain or sales profit per product. Plus, we can compare a number of factors—per store, department, product category, and SKU over any time period. We weren't able to do this before the software installation.

Vendor Support: We worked very closely with the Salient team throughout the development and implementation of our solution. They have always been very understanding of our needs and receptive to our ideas, ensuring that our customized solution worked flawlessly in our retail environment. Training and ongoing support have also been readily available and very positive.

Documentation: The documentation is complete and easy to understand.

About Salient

Salient Corporation makes very large scale in-memory intelligence technology for ad hoc data interrogation, visualization and root cause analysis. The company provides continuous audit, performance monitoring and forensic applications for business, health care, education and government.

