

Farmacorp 

Case Study

**A Prescription for Predictable
Sales and Margins**

REVIOnICS®

FarmaCorp

For Farmacorp, Revionics Price Optimization is Just What the Doctor Ordered

About Farmacorp

Farmacorp, a national Bolivian pharmacy chain, is dedicated to the sales of pharmaceutical and consumer products, with over 76 years in the Bolivian market. The product offering to its customers is diverse, ranging from pharmaceuticals, medical supplies, to personal care, cosmetics, food supplements and others. Currently, FarmaCorp has 70 stores throughout the country, of which 51 are located in Santa Cruz, nine in Cochabamba, five in La Paz, two in Tarija and one in Oruro, Sucre and Trinidad.

Farmacorp is an innovative company that works day to day with advanced technology, international standards, and an excellent administration, continuously implementing new ways to improve, providing ongoing training to all its administrative and operational staff in customer service about techniques, pharmacological management and other modern operating programs; that have earned several awards for its optimum development and efficient customer service.

Farmacorp staff consists of a team of highly trained and motivated professionals, thus ensuring qualified human resources trained to degree level in Pharmacy and Biochemistry, as well as Senior Technician level.

Overview

Farmacorp 

With a heritage spanning three generations of the Gutierrez family, Farmacorp brings a personal passion to serving its customers across Bolivia. At the same time, the company's track record of growth and excellence is fueled by its commitment to embracing and leveraging innovative technologies. It was in this spirit that Chief Information Officer Andres Valdivieso began his search for a price optimization solution that would have a profound and enduring impact on the company's ability to deliver predictable performance across its multiple lines of business. Today, using Revionics, Valdivieso and the FarmaCorp team report month after month of meeting – and even exceeding – goals for sales, margins and profits.

This chain has an Internal Regulation and manuals specific functions according to the position, policies and regulations for the internal control of each branch.



Its modern high-tech computerized system that allows communication between branches nationwide technology is also used in the sale of products and services, management and inventory control.

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CHALLENGE

“When we began our search for a price optimization solution, we knew we wanted to be able to customize and target price strategies for shoppers across our three distinct product lines: pharmacy, convenience and exclusive national brands, down the level of different categories and products in each of those sectors,” says Valdivieso. “We have a very analytical mindset, so we engaged in discussions with four different vendors to learn as much as we could as fast as we could about the capabilities in the market. We weren’t sure just how far we could go with targeting at the detailed level by our lines of business and by product, but we wanted to learn.”

Early on in the process, Valdivieso was impressed with the partnering approach shown by Revionics. “I wanted a partner whose expertise I could confidently rely on, and at every phase of the process, Revionics demonstrated and shared that expertise. At every step of the way they have opened up our thinking about the possibilities available to us – a collaborative and productive approach that continues to this day.”

Valdivieso, coordinating closely with the other members of FarmaCorp’s executive team, had other clear criteria as well. “We knew we wanted a cloud-based solution – no need to take on the expense and effort of maintaining on-site servers, storage and databases,” he notes. “We wanted to avoid the headaches and get to the results – fast.” During the evaluation process, FarmaCorp was impressed with the native SaaS architecture that is at the core of Revionics® Price Optimization design. Agility and usability were also important criteria. This included providing user interface access in both Spanish and English.



“We want to evolve with our markets, which are changing faster and faster. And we wanted a robust, proven implementation approach with an equally mature user interface that business users could quickly be productive on.”



While many of the younger, digital-generation price analysts eagerly adopted the automated approach, executive support and Revionics' transparent design proved critical in winning adoption from more senior analysts. Valdivieso cites one expert in particular: "As one of our most seasoned analysts, she has a very deep, almost instinctual understanding of our markets and pricing. Over time, as she saw the logic behind the pricing Revionics was suggesting, she has come to embrace the capabilities. By marrying the art of her experience with the insights and facts of Revionics' science, she contributes more strategically than ever. FarmaCorp gets a great competitive edge from the combination of her deep market understanding and the comprehensive data-driven analyses from Revionics."

SOLUTION

As Valdivieso's team assessed the vendors against FarmaCorp's initial criteria and its evolving understanding of the depth of granularity, control and transparency FarmaCorp wanted, consensus formed around Revionics Price Optimization. Valdivieso felt good about that decision as the project implementation got underway. "As CIO, I wanted a very strong project structure with predictable delivery and deployment milestones, and Revionics delivered on all counts," he notes.

RESULTS

"We saw very strong results right from the beginning," Valdivieso says. "Using the Revionics pricing solution, we began to demonstrate more consistency and organization in managing product categories. The pricing teams are now clearly aligned with the business units – pharmacy, convenience and private-brand."

The quantifiable results are even more compelling. "We now consistently hit sales and margin targets and forecasts – and in some cases even surpass them. With structured insights into the impact of various pricing options, our pricing decisions contribute to better margins and profitability."

Valdivieso also highlights the powerful impact of executive sponsorship in the project's success. "Our executive team met regularly to assess, review and support the project, and we had great buy-in and visibility from the leaders and teams in Finance, Merchandising, Pricing and Marketing. That across-the-board support really encouraged adoption and made the strategic value of the project clear company-wide."

THE FUTURE

As FarmaCorp's team gains more experience with Revionics and continues to tap Revionics' science and pricing experts to dive deeper, the company continues to drive more value from the software. "We've identified KVs in key categories, and we are growing more and more sophisticated in our KVI analysis," Valdivieso notes.

"We are also doing more analysis around assortment and space. And we continue to sharpen focus and differentiation between our pricing approaches in our pharmacy and convenience product lines, we're delivering more margin value to the business. And the team grows more and more robust and sophisticated in their use of scenario planning. With Revionics experts continuing to take us deeper into the possibilities, I see our ability to meet and exceed business targets getting even stronger."

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Learn why leading retailers around the world use Revionics to compete more profitably!

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