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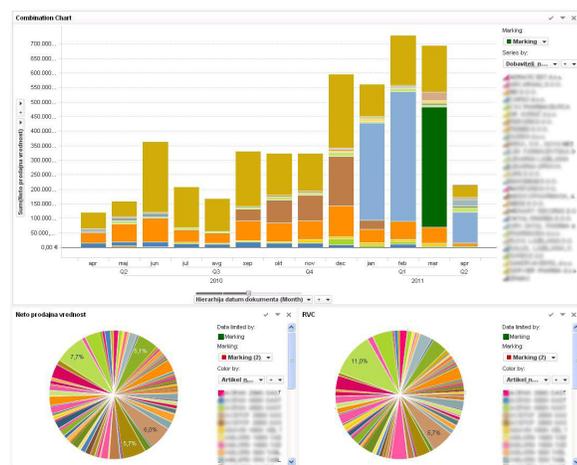
Marko Znidarsic, Deputy Director, Lekarna Ljubljana

Lekarna Ljubljana Leverages TIBCO Spotfire Analytics for Sales and Operations Financial Management

Analytics Software Will Also Help Slovenia’s Largest Pharmacy Chain Develop Strategic CRM and Marketing Programs for its 100,000 Loyalty Card Members

Lekarna Ljubljana is the largest pharmacy chain in Slovenia with 39 locations through central Slovenia. The company also sells a full complement of medicinal products, first aid, supplements and cosmetics through an extensive e-commerce presence on the Internet. In addition to its retail business, the company owns a wholesale division that resells prescription, OTC drugs and other products. Some of those drugs are niche compounds produced in Lekarna’s own laboratory and sold in its pharmacies as well as in other chains.

In 2008, Lekarna entered into a long term contract with IT consulting and solutions providers to build and maintain a SQL server data warehouse, as well as create a business intelligence strategy for the pharmacy chain. They created custom Microsoft Excel-based reports and pivot tables to analyze sales data for Lekarna’s retail business. Later Lekarna and ADD IT Solutions implemented a Microsoft Office PerformancePoint-based planning system and ADD continuously develops and maintains Lekarna’s BI system.



The top chart depicts Lekarna’s net sales value over time by supplier. The bottom left pie chart shows net sales value by product. The bottom right pie chart shows price difference by product.

CHALLENGE

While the static reports seemed adequate for analyzing sales data, Lekarna also needed to analyze financial information for its production unit and wholesale operation. The data sources for the wholesale business include flat files and OLAP data, and combining the multiple hierarchies to perform detailed analyses would require a custom – and costly – BI solution that would take months to develop.



Lekarna asked ADD to search for an alternative analytics solution that could quickly perform detailed analysis from multiple, hierarchical data sources.

At the same time, Lekarna was implementing a new CRM (customer relationship management) program to serve its more than 100,000 retail customers with a sophisticated marketing strategy based on historical buying behavior. Lekarna needed a way to analyze its large volume of loyalty card data that would quickly spot outliers – in this case, their best customers – to develop targeted promotional programs.

SOLUTION

ADD showed Lekarna Deputy Director Marko Znidarsic how Dutch telecom company KPN was using TIBCO Spotfire Analytics to analyze CRM data on several hundred thousand customers. "A major selling point for us was the way Spotfire Analytics graphically depicted KPN's large, complex data sets," said Znidarsic. "I was particularly impressed with the way the software imported multiple data sources with ease." Being able to combine multiple hierarchies meant that Lekarna would get more value from its data than the pivot tables and static reports provided.

Lekarna is using Spotfire software as an analytics tool for its warehouse operations and laboratory production unit to optimize inventory logistics. The production business is particularly complex because of the variety of costs and overhead that contribute to expenses, so the Spotfire solution is well suited for the need. The company also uses the software to identify the top performing pharmacies and employees based on various metrics.

Lekarna executives look at analyses via Spotfire Web Player, often on their iPads, so they're able to see daily sales results from anywhere. The software's interactive user interface facilitates

sales analysis by month, week, day, supplier, and product name. The ability to graphically visualize multiple data sources makes it easy to compare sales with inventory level and profitability.

"Spotfire enables us to quickly view the performance of our portfolio suppliers for each pharmacy and evaluate how they are contributing to sales," said Znidarsic. "We can readily see what the profit margins are by existing products and suppliers, to help us determine what the margins should be for new products and suppliers."

"Spotfire gave us a quick solution for establishing a BI system for a start-up company. It offers us crucial information not only to track the sales and profit margins but also to track work in the warehouse with different statistics like number of picked order lines per day and similar data," continued Znidarsic.

RESULTS

It would have been cost-and-time prohibitive for ADD to develop a custom BI solution that would satisfy Lekarna's need to analyze large, complex data sets. Spotfire Analytics accomplishes this quickly and cost effectively, in real-time, with both known and unknown patterns jumping out from the software's graphical user interface.

Lekarna expects to receive the most value from Spotfire Analytics when it begins to analyze the purchasing habits of its 100,000+ customers as part of its CRM initiative. Spotfire analyses will enable Znidarsic and sales and marketing team to easily identify affinity purchasing habits for the design of "lifestyle" promotions.

"Without Spotfire it would be impossible to analyze our customers' buying behavior in a timely enough way to create the types of marketing activities that will fulfill our CRM objectives," said Znidarsic.



TIBCO Software Inc. (NASDAQ: TIBX) is a leading independent business integration software company and a leading enabler of real-time business, helping companies become more cost-effective, more agile and more efficient. TIBCO has delivered the value of real-time business, what TIBCO calls The Power of Now®, to thousands of customers around the world and in a wide variety of industries.

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