

# How Blue Connections helped Chemist Warehouse streamline and manage their POS devices and peripherals



## Overview



Over the last 19 years, Chemist Warehouse has grown from a single shop in Melbourne's inner northern suburbs to become one of Australia's top 10 retailers. Today, the group has over 450 stores in Australia and New Zealand, and serves 1.5 million+ customers and dispenses 500,000+ prescriptions a week.

## The Challenge

If the customer's always right, then unreliable POS systems are always wrong.

Yet in 2015, with plans to open a store a week, Chemist Warehouse didn't have a rock-solid Point-of-Sale system. In fact, their specialist POS devices had reached double-digit failure rates.

While they wanted to grow aggressively, Chemist Warehouse understood they also needed to grow manageably, which is why they sought a technology partner who could assist with the following requirements:

- Support their customer experiences with the most reliable POS devices and peripherals
- Provide POS systems for upgrade at their 200 existing stores
- Provide POS systems for each new store as they opened
- Keep their IT costs in check by acquiring POS devices and peripherals at the best possible price
- Identify the best emerging POS technology for enhancing customer experiences

According to John Timpano, IT Operations Manager, Chemist Warehouse, *"The number one thing for us is customer service. And that means we must provide close to 100% uptime for our customers. So, we needed trust in the POS devices, trust in the POS solution, and trust in the people servicing and providing that solution."*



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## The Solution

In 2014, Chemist Warehouse spent 12 months comparing HP's POS solution with those from a rival vendor. As Sam Steedman, Account Executive, Blue Connections explained, *"The rationale behind this two-vendor solution was simple: may the best solution win."*

After field-testing these POS solutions across their stores, Chemist Warehouse reviewed their POS fleet's device failure rates. They found their HP/Blue Connections solution easily trumped the rival vendor's reliability.

Now, Chemist Warehouse set Blue Connections and HP a major challenge: to provide the best fit solution to replace legacy POS systems across 200 Chemist Warehouse sites. This was in addition to rolling out POS systems to the new stores, which were opening at a rate; on average, of one per week.

Managing these time and delivery constraints threw down the gauntlet for Blue Connections and HP to deliver.

Typically, each Chemist Warehouse store features ten POS devices – five front-of-house and five for the dispensary. Plus, each device is surrounded by peripherals, from receipt printer, payment device and keyboard, to mouse, barcode scanner and thermal printers suitable for medication labels. As Sam Steedman explained, *"Chemist Warehouse frequently ordered 500 devices at a time. Literally truckloads of PCs were going out to them. Plus, Blue Connections supplied and supported all the peripherals."* Despite the size of these orders, Blue Connections supplied the POS devices and peripherals within one-to-three days, anywhere in Australia and New Zealand.

As John Timpano explained, *"It's simple: we expect the best price point so that we can pass these cost savings onto our customers."* Blue Connections negotiated with multiple vendors to manage the pricing and discount levels for both the HP POS devices and the associated peripherals.

## The Results

From 2015 to 2016, Blue Connections assisted with the upgrade of the entire Chemist Warehouse POS fleet. This initial 12 months cemented the working relationships between Blue Connections, HP and Chemist Warehouse.

As Chemist Warehouse has grown from 200 stores in 2015 to over 450 stores and 4500 POS systems in 2019, Blue Connections continues to deliver comprehensive vendor support to Chemist Warehouse, including:

- Avoiding potential supply-side delays by warehousing stock of Chemist Warehouse POS devices and peripherals
- Managing the refresh cycle for the entire Chemist Warehouse POS fleet
- As new Chemist Warehouse stores open, supplying all POS devices and peripherals
- Partnering with HP to present roadmaps for new types of point of sale devices and customer interactions

Thanks to comprehensive vendor support, the relationships between Blue Connections, HP and Chemist Warehouse continue to strengthen. As John Timpano explained, *"Here's the number one thing with Blue Connections and HP: not only can we trust their products, we can trust their people. If there's a HP retail product that meets our retail business requirements and the price is right, then we go through HP and Blue Connections, because of the relationship we've built over the last five or so years – a relationship that continues to grow."*