

H. D. Smith

A Prescription For True Contract Management

Business Overview

Since 1954, H. D. Smith has built a reputation for excellence and customer-focused healthcare distribution. The company is among the largest national wholesalers, with 10 distribution centers across the U. S. Bridging the gap between manufacturer and patient, it provides full-line distribution of brand, generic and specialty drugs, as well as high-value services and solutions for manufacturers and healthcare providers. H. D. Smith's customers include retail pharmacies, specialty pharmacies, long-term care facilities, institutional and hospital systems, and independent physicians and clinics.

Challenges

H. D. Smith realized it was time to look for a full-function contract management solution. Their existing system, IBM Lotus Quickr, provided them with an online repository for their vendor contracts and some rudimentary routing capabilities during the approval process, but that was about all. According to Chrissie Melton, H. D. Smith's Contract Administrator, "There were really no checks and balances in the system. People tended to ignore the notifications they received and weren't really performing the necessary reviews or providing feedback regarding the terms and conditions of the contract and whether they were attainable." Also, there were no workflow or tracking features,

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Contract Administrator

so contracts often stalled. When approved contracts were finally entered in the system, they were difficult to find.

Still, it was hard to make the move. With dozens of people in eight functional areas across four business units working with more than 1,000 active contracts from hundreds of manufacturers and vendors, they knew it would



Industry

- Pharmaceutical Wholesale Distribution

Challenges

- Stalled contracts and missed requirements due to inconsistent contract reviews and approvals
- No reporting or tracking of contract status and metrics
- Difficult to search for contracts and contract information
- Compatibility with existing SAP system
- Multiple users across business units and functional areas
- Large number of vendor contracts to manage

Agiloft Solution Benefits

- Contract approval workflow with tracking and escalation rules ensures contracts are adequately reviewed and executed in a timely fashion
- Customized homepages and default views make it easy for people to use the system and quickly access the information they need
- Automatic updating of vendor information maintains compatibility and integration with SAP system
- Extensive reporting features provide relevant and targeted information automatically
- Automatic OCR of uploaded documents enhances search results for contracts and contract information

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be a daunting challenge to implement a new contract management system and process. It was somewhat of a blessing when H. D. Smith's IT department notified Contract Administration that Quickr was becoming outdated and they would no longer support it. The time for change had come.

The Search

Now that H. D. Smith was ready to find a new contract management system, they wanted the best, one that could satisfy all their demands. "We were looking for a full-fledged contract life-cycle management system," said Chrissie. "Plus, our contracts are not your typical contracts. We needed a system that we could customize to fit our contracts." Cost was also important.

Aside from Agiloft, H. D. Smith evaluated other contract management solutions such as iContracts, CobbleStone Systems, CLM Matrix, Novatus, Revitas, Contract Logix, and Ariba. They were looking for a hosted system that could provide contract approval workflows, robust reporting capabilities, a fully searchable database of contracts, external and internal security with multiple levels of permissions, support for electronic signatures, remote access, database backup and export, and document retention for legal purposes.

As Chrissie summed it up, "We wanted to be able to pull reports and get data out of the system, not just use it as a simple repository." In addition to robust reporting capabilities on any of the data in it, they wanted a system that was fully searchable with built-in workflow — they wanted a true contract management system.

After many phone interviews and demos from all the companies they evaluated, Agiloft was the only system that they felt confident could meet all their requirements.

The Project

Using a requirements template provided by Greg Myers, Project Manager for Agiloft in charge of the implementation, Chrissie gathered input from

all of H. D. Smith's many business units and functional areas. She explained, "I met with each group and asked them: what are the fields you want to see, what type of data you want to pull, and why do you want to pull it?" The combined list of requirements was extensive. "There was some overlap among the groups, but the list I ended up with contained almost every data point found within all of their contracts."

Once he had the initial requirements, Greg went to work. He and Chrissie met regularly throughout the implementation. Often, she gave him additional requirements — more contract data points to capture, new reports to generate, additional user views to configure. "We were kind of needy," Chrissie laughingly admitted. "We had quite a lot of customization for Greg to do, and we changed a lot

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Greg overcame a couple of other implementation challenges as well. First, he created an integration with H. D. Smith's SAP system where their vendor information originates. He designed the integration to compensate for the fact that individual vendors are often entered in SAP with different names, as their product lines change. The integration 1) automatically updates vendor information in Agiloft from SAP on a nightly basis; and 2) allows H.D. Smith to organize information in Agiloft by "Vendor ID," rather than by contract. Vendor IDs essentially represent product lines, and a single contract may apply to multiple Vendor IDs.

The system was ready to go live in December 2016, after an implementation that came in under budget. Chrissie was very pleased with how smoothly the implementation went, especially considering the

high degree of customization and configuration H. D. Smith needed. "I had dealt with contract management system implementations before, and this one took a lot less time than any of those implementations," she said.

As Chrissie expected, it took a while to get everyone up and running on Agiloft. "None of them had used contract management system software before, so it required them to learn a new system." She added, "I was very happy with Greg's willingness to conduct the initial training seminars and how available he made himself to me. That was very much appreciated."

Solution Benefits

All of H. D. Smith's business units and functional areas have now completely transitioned to Agiloft, and Chrissie couldn't be happier. She particularly likes its contract review and approval workflow. "We had Greg build escalation into the workflow so that if a reviewer misses their deadline, they will get an email reminder. If they miss it again, their supervisor and I both get a notification. The system keeps the contracts moving and gives people a sense of personal responsibility for completing their reviews." The approval workflow also creates accountability. "Before, we were getting into situations where we would enter into contracts without having received proper feedback from the functional area reviewers, and we'd be on the hook for something we didn't expect and/or didn't have the immediate capability to support. Agiloft eliminates the vast majority of those cases," she added.

Agiloft's reporting features are another huge benefit for H. D. Smith. "Business units can build a report on any data contained within the system and Agiloft will create, run and send the report automatically to the people they specify, and on a schedule they specify."

Chrissie highlighted a feature she wasn't expecting, but she now finds very useful. "Agiloft

automatically applies OCR to all the documents that are uploaded. When users search for a term or condition in a contract, the system returns results from all the fields in the contract record as well as in the attached contract itself."

Although she knew customization was one of Agiloft's major selling points, she was impressed with how deeply customizable the system is for setting up users' homepages and default views. "That's a really important benefit because it gains buy-in from people when you can set the system up in such a way that they can use it easily and get the information they need quickly."

When asked what she would tell other companies who are looking at contract management software, Chrissie didn't hesitate. "I would definitely recommend Agiloft."

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Let Us Show You

What Agiloft has done for H. D. Smith, it can do for you. Let us show you how. In a few hours, we can set up a custom proof-of-concept featuring your toughest business process. Give us a call to schedule a meeting.

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