PSS World Medical

Industry:	Healthcare
Product(s):	BEA WebLogic Server™ and BEA WebLogic Commerce Server™
Business Problem:	Increase sales productivity
Project:	Build MyPSS enterprise portal to expand revenue opportunities, reduce order-fulfillment costs, and enable medical-supply customers to manage product delivery and inventory more effectively
Why BEA:	"The BEA portal framework was able to provide us with unbeatable time-to-market, investment protection, personalization and scalability."
Highlights:	MyPSS offloads much of the time-consuming work of processing low-margin, high-volume orders, freeing up sales associates to focus on capital-equipment sales and old-fashioned relationship building with their large and rapidly expanding clientele

COMPANY BRIEF

PSS World Medical, Inc. (Nasdaq:PSSI) is a marketer and distributor of medical products to physicians, long-term care providers, and imaging facilities in all 50 states. Since its inception in 1983, PSS has become a leader in all three market segments, with a focused commitment on customer service, a consultative sales force, strategic acquisitions, strong arrangements with product manufacturers, and a culture of performance. In 2000, the company's three business units employed more than 5,000 people, servicing nearly 160,000 healthcare facilities, and generating revenue of approximately $1.8 billion.

BUSINESS CHALLENGE

PSS is a classic sales organization. As such, it is constantly searching for ways to broaden its coverage area, streamline order processing and fulfillment, and strengthen customer relationships. For a company that doesn't manufacture its own products, overcoming these challenges is absolutely critical in order to distinguish the company from would-be competitors and build a healthy, sustainable business.

For PSS, the solution was the Internet. To free up its sales force to cover more territory and spend more time with each customer, and to help lower operating costs, PSS realized that transitioning a portion of its business onto the Web was a necessity. The tricky part would be developing a Web presence that is useful, useable, intuitive and compelling so that customers feel equally as comfortable logging onto the site as they do calling their sales people. And the site would have to be extremely reliable so that sales reps would have the confidence to allow it to do its job without human intervention.

BUILT ON BEA™ SOLUTION

BEA worked with PSS to design and implement the MyPSS portal. The portal provides customers with self-service ordering and shipment tracking, customized usage reports, and access to same-day product delivery. The result of deploying such a robust portal is that customers now have greater control in the management of their inventories, more timely reporting to help them track usage patterns, and faster delivery of many expensive items that most customers would rather not stock.

For the 1200-member PSS sales force, MyPSS means time. Sales people can actually service their clients rather than simply take orders. MyPSS offloads much of the work required to process low-margin, high-volume orders, allowing reps to focus on big-ticket capital equipment that typically has very long sales cycles and complicated approval channels. The time freed up by MyPSS also enables reps to make more sales calls and more customer visits to better understand the needs of their clientele. This increased interaction alone often leads to new sales opportunities as the reps discover customers' unmet equipment needs.

 "MyPSS is helping us with two crucial needs that don't always co-exist easily in large sales operations," said David Ramsey, chief information officer at PSS. "MyPSS allows us to build much stronger relationships with each customer, while enabling our sales people to cover more territory and use their time more efficiently. In direct sales, what else really matters? Sure, BEA provides us with unbeatable time-to-market, investment protection, personalization and scalability. But our bottom line — that's where BEA is really helping."

PSS carries over 55,000 medical products from over 1,000 manufacturers, as well as a family of PSS-branded medical supplies. Customers can order all of these products from the portal, which includes a full-color catalog, a rewards program to encourage customer loyalty, an opt-in email service for marketing promotions, customer-specific pricing to reflect negotiated rates, and integration with an advertising server to deliver relevant product information to MyPSS users. In addition, the portal is fully integrated with the company's sales force automation (SFA) and enterprise resource planning (ERP) applications to maximize operational efficiency.

The portal is also giving PSS access to an entirely new set of customers who are motivated almost exclusively by cost. Many of these customers bought their supplies by mail order previously. Now, by removing the cost of a sales rep from each transaction, PSS is able to compete for their business. Mail order "converts" are registering at MyPSS everyday, and the company expects to secure thousands of new accounts over the next twelve months.

 "We're delivering on the dot-com promise where so many medical startups failed; that's a dramatic demonstration of the power of BEA's portal framework for established enterprises such as ours," said Ramsey. "We have a large customer base, a proven sales force, and a sound business infrastructure. Now we're extending the value of those assets by taking advantage of the Internet's inherent cost effectiveness and timeliness."

The BEA portal framework is 100-percent-pure Java, protecting the PSS investment against obsolescence, and enabling the rapid delivery of new features and functionality. The massive MyPSS portal was developed and deployed in less than a year, and the PSS engineering team estimates that building the system in Java accelerated deployment by four months. PSS selected BEA after evaluating competing solutions, as well as outsourcing options. The company determined that none of the alternatives could offer the same scalability and mission-critical reliability as BEA without making great sacrifices in performance, flexibility and standards compliance.

The computing environment at PSS is a heterogeneous mix. The BEA software is running on Microsoft Windows 2000 servers. The database system is Oracle 8i, housed on Hewlett-Packard enterprise servers running HP-UX, and the ERP system is from J.D. Edwards.

"The BEA WebLogic environment is not only the safe choice, it's the best application server on the market. That made our final decision pretty easy," said Ramsey.

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