

Longs Drugs Enhances Productivity, Customer Service with Cisco Wireless Solutions

Longs Drugs, one of the top retail pharmacy chains in the United States, is streamlining its business with wired and wireless networking solutions powered by Cisco Systems. This leading retailer has successfully deployed Cisco wireless solutions to hundreds of its stores in the Western U.S., increasing productivity while dramatically improving customer service.

Background

For more than 60 years, Longs Drugs has been a leader in pharmacy, healthcare and other retail products and services, such as cosmetics and photo development. One of the top ten drug chains in the U.S., Longs has steadily grown to 428 stores across six Western states. The company, which has been publicly held since 1961 and traded on the New York Stock Exchange since 1971, cites its commitment to low prices and a high level of customer service as key to its success.

In 1998 Longs management recognized that an IP network could streamline its core pharmacy business and day-to-day operations while increasing employee productivity and improving communications. An enthusiastic adopter of new technology, Longs implemented a local and wide area network based on flexible, scalable Cisco routers, switches, and wireless solutions.

The Challenge

Because customer service is critical to the success of its business, Longs wanted a way to use technology to allow staff more time to interact with their clients.

One area where the company believed it could make improvements was in inventory management.

The company's manual, paper-based inventory process was both cumbersome and time-consuming to its staff. Longs needed a solution that would allow employees to move freely throughout the store and interact with customers, yet still have access to inventory and order data at their fingertips anytime, anywhere.

Because sensitive financial information was involved, security was a paramount concern. Remote manageability of the system would also play an important role, because the company needed the ability to troubleshoot and maintain its network without having to station IT staff at each of its hundreds of stores.

The Solution

Longs determined that a Cisco wireless networking solution based on Wi-Fi IEEE 802.11b wireless network technology would deliver the best combination of performance, security, and manageability. The company had experimented with earlier wireless systems on a pilot basis, but none provided the level of bandwidth needed for the numerous retail applications that were in the works.

Longs teamed with Cisco and Symbol Technologies to install a wireless LAN at each of its stores, based on Cisco Aironet® 350 Series access points and client adapter cards.

The Cisco Aironet solution provides secure performance at speeds up to 11 Mbps, and can be managed as part of Longs' overall Cisco enterprise network. Cisco enhanced security solution (which is based on the IEEE 802.1x standard), with its dynamic encryption keys and centralized key management, lets authorized users enjoy secure wireless connections. This level of security protects confidential financial data as it's transmitted throughout a store location.

At each Longs store, three to five Cisco Aironet access points provide wireless network connections to mobile laptop carts, which are equipped with wireless adapter cards and scanners to allow staff to conduct inventory at the product shelf. The battery-powered carts connect to a Web-based inventory database and ordering system, custom-developed by the Longs IT organization. Employees can scan items from the shelf, enter the quantity to be ordered on the laptop, and replenish the item right away to keep shelves stocked with optimum quantities.

"We call our system the Mobile Manager 1000," explains Carl Britto, Director of Store Technology Planning. "You can roll it around the store, and it's fully adjustable. You can take it anywhere in the building, or out to the warehouse dock or outdoors for sidewalk sale applications.

Best of all, by having more employees accessible on the floor, the wireless network can significantly enhance customer service and sales.

"We're extremely pleased with Cisco networking technology, and we're excited as we discover more ways we can use the technology to support and extend many of our business applications."

—Carl Britto, Director of Store Technology Planning Longs Drugs

Longs' cosmetic retail business is a good example of how the technology is being used to improve both sales and service. "In the cosmetics area, you have thousands of small items," Britto explains. "If our cosmeticians are on the floor with the customers, they can make product recommendations," which translate into increased sales. "We think we can get a bump in sales by having the qualified, trained person on the sales floor with the customer while they are performing their reordering functions."

Cisco Aironet wireless network equipment has the bandwidth to support more than just inventory control applications. The company plans to use its Aironet networks in its photo processing and video departments. The network provides for remote support of those applications.

Longs relies on CiscoWorks2000 to help manage its wireless network, a comprehensive management application that enables the company to manage and troubleshoot its equipment remotely to optimize performance and reliability.

The Results

Just six months after deploying its wireless LANs to stores, the

company has already witnessed substantial increases in productivity. "We've been able to reduce labor costs approximately 10 to 15 hours per week, per store, with just our ordering initiative

alone,” says Britto. “In the near future, we’re planning to add wireless handheld devices to drive our costs down a little bit more, and make ordering even faster and more efficient. And when you’re more efficient with ordering, you can assign your people to do other tasks in the store.”

Longs is also looking for ways to extend the benefits of wireless networking to other parts of its business. Because of its speed and flexibility, a wireless networking system is a natural fit for Longs’ core pharmacy business. Longs is planning to adapt their inventory system, called “Pharmacy Replenishment Ordering (PRO),” to a wireless platform in the near future.

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