Home Delivery Field Leadership Talking Points

These FAQs are for field leaders to provide additional support in home delivery discussions with their teams

The WHY behind home delivery

A home delivery (HD) program allows your clients to receive quality medications, food, and healthcare products shipped right to their front doors. Having an effective HD program is crucial for preventing revenue loss to other online retailers and helping to lower inventory and other overhead costs in the long-run. The importance of offering a HD service is even more apparent now as we work to continue to serve the needs of the pets in our communities by offering online access to medication and food for those who are under 'stay at home' orders, may have been exposed to COVID-19, are at high-risk, or simply fear exposure. In summary, HD:

- Enhances client relationships by offering a convenient solution
- Helps prevent revenue loss to competitors (e.g. Chewy, et al.)
- Increases compliance due to auto-ship and proactive scripting - hospitals heavily utilizing the online channel had **2-5%** higher growth in HW/ Flea.
- Increases in-clinic spend - Clients spend more on vaccines, diagnostics, and procedures if they can order non-urgent needs online.
- Saves overhead costs in terms of labor and inventory holding costs

What clients are utilizing this platform in our Hospitals? Which clients are choosing this platform? ALL…

It is important to recognize that many clients are ordering online, now more than ever. Stay at home orders have permanently changed how people shop. Clients will be staying online, even after the pandemic is over.

All age groups are utilizing home delivery:
- **74% of Gen X** normally bought pet food online, and out of those who didn't, 41% have now purchased pet food online during stay at home orders.
- **31% of Baby Boomers** normally bought pet food online, and out of those who didn't, 15% have now purchased pet food online during stay at home orders.

Clients are looking everywhere for home delivery options, so why not us?
- When asked where they have been buying pet products in the last 45 days, 55% of pet owners used Amazon while 35% used Chewy. **Of the 35% who bought a product on Chewy, 48% of them indicated it was their first time doing so**. Only 20% indicated they are buying product from their vet's online store, which falls behind Amazon, Walmart, Chewy, Petco/PetSmart, and 1-800-Pet-Meds.

Why is hospital home delivery a better choice for clients than other online retailers?

1. **Clinic Pharmacy, Clinician Oversight:** An Oregon Veterinary Medical Association survey found that 39% of veterinarians had a retail or online pharmacist CHANGE their prescribed dosage or medication without their approval, and 18% experienced adverse events as a result of medication errors dispensed by non-veterinary pharmacies. Clients who order from the clinic's HD platform can have peace of mind knowing that each order is approved by their provider, and filled exactly as written, without pharmacist discretionary substitutions
2. **Retailers Cannot Provide Safe Information to Pet Parents:** Pharmacists struggle to counsel pet owners on medications and side effects, especially how to administer. Legally, they cannot recommend OTC products for animals.
3. **Products Backed by Manufacturers:** When a client orders from a clinic's HD platform, the products and medications are guaranteed by the manufacturer. Veterinary Clinic rebates are not issued to online retailers.

Which system is better, VetSource or Covetrus, and how do they work?

Home delivery is a way to **conveniently ship medication & food directly to clients using an online pharmacy.** NVA recommends using one of two vendors, either **Covetrus** (formerly known as VFC) or **VetSource.** Covetrus (CVET) & VetSource (VS) handle all inventory management, fulfillment, shipping, and customer service. CVET & VS will create a practice-branded online store and a practice-facing backend dashboard.

One thing to note on PIMS integration: The Covetrus platform will integrate in a read-write capacity with Cornerstone, Infinity Impromed and Avimark. VetSource will only integrate in read-write capacity with Cornerstone and a read-only capacity with Avimark and Impromed.

How are prescriptions within the home delivery platform initiated?

There are two ways prescriptions can originate: Client-Initiated and Clinic-Initiated (i.e. proactive prescribing)

<u>Client-Initiated Rx:</u> A client can order from the online store directly through the clinic's website via desktop, tablet, or mobile device.

<u>Clinic-Initiated (i.e. proactive prescriptions):</u> Proactive prescriptions are key in a successful implementation of home delivery service.

- **Rx Intercept:** When a hospital receives a third-party fax, a proactive prescription can be created within the dashboard to let the client know the order can be filled through the clinic's pharmacy providing peace of mind, competitive pricing, free delivery, and auto-ship. Within the Covetrus platform, proactive prescriptions in response to third-party requests can be tracked through a check-box in the bottom-left corner of the script creation window. It is best practice to utilize this where applicable so we can track our success at intercepting scripts over time.
- **Appointment Follow-up:** For clients that don't purchase a recommended product at the time of visit, it is best practice to follow-up with a proactive script shortly after their visit that they can fill at their convenience.
- **General Compliance:** Practices can review their medical records at any time to determine which clients haven't filled a recommended script for their pets and send them a proactive script in response. There are also a couple different tools to help automate this process detailed below.

See Step by Step "How To" Documents on the HD GPConnect Website.

Are there any automated reminders or support within each system?

Each platform sends emails to clients automatically upon a new Rx being entered into the system. 14 days later, the clients receive a follow-up email reminding them about the prescription awaiting their order completion.

- Script Assist is a **Covetrus** automated tool for clients **non-compliant on HWFT**. When turned on, Script Assist automatically identifies patients with recent appointments but who have not purchased HWFT in past 18 months. Script Assist then automatically sets up a proactive Rx based on each site's product preferences. This tool catches clients who have walked out of the clinic without purchasing and are prime candidates for shopping on Chewy, et al. or not purchasing at all. (Note: All scripts generated still need to be approved by the hospital before being emailed to the client.)
- Elanco & VetSuccess are partnering on a program to further help us reach clients on home delivery. The Continuity of Care program will automatically identify clients who have purchased preventatives **in-clinic and are coming due or are recently past due** for another purchase. It will email the client with a link to the product page to purchase (if an Elanco product) or a link to the online pharmacy home page (if a non-Elanco product). The client will get emailed up to 3 times. It's an easy enrollment for any clinic already on VetSuccess, and it's free.

I support a hospital that is worried that diverting clients to their HD Service will cannibalize their in-store revenue.

Covetrus completed a study with 45 hospitals, over 6 years.
The results- Platform adoption boosts practice revenue without compromising in-practice sales.
Key findings included:
- The growth rate of total product revenue, including in-practice and online sales, nearly doubled!
- In-practice inventory sales experienced a lift, showing that the platform did not compromise in-practice sales, but instead captured incremental online sales.

Non-product revenue (service, diagnostics, and other categories) also increased after platform adoption, demonstrating the power of prescription management to drive in-practice service.

How can I track a hospital's progress with home delivery implementation?

Each platform has its own hospital dashboard with thorough reporting capabilities. In addition, NVA has partnered with Covetrus and VetSource to provide weekly reporting, which is located in QuickBase under Home Delivery. Reviewing the ancillary revenue during your monthly business reviews will be a great gauge of how deployment is working. (Note: The category management/HD definition of ancillary is different from the SOO definition of ancillary. The category management definition includes pharmacy and HWFT while the SOO definition excludes those categories but includes boarding and grooming.) Some promising indicators:

- Ancillary Revenue Report by Month in the GP Dashboard Folder on the Management Drive (focus on the category management definition of ancillary)
- Within HD hospital dashboard, detailed standard and custom reporting is available including Client-Initiated Rx, Hospital-Initiated Rx, Rx Revenue, Revenue by DVM, etc.
- Increased compliance, such as more visits for bloodwork or yearly HW testing for Rx renewals and refills. (Covetrus 6-Year Study)
- DVM and Team Feedback – Engage the team. Ask, how is this working? What feedback are you getting from clients?

What specific Resources are Available to the Hospital Leadership Teams to Deploy Successfully?

All Resources can be found here: https://www.gpconnect.nva.com/home   PW: woof2020

**This site includes the HD marketing tool kit, Covetrus "How To" Training Documents, Best Practice Checklist for HMs, and Training Videos.*

What are a few implementation best practices I can include in my conversations with the teams?

**See "Hospital Manager Best Practice Deployment Checklist" on GPConnect HD Resource Website*

What is the current pricing for home delivery as compared to the larger retail market?

In an effort to increase the usage of NVA HD platforms, we have partnered with our vendors at Covetrus and VetSource to lower the prices of the most popular online pharmacy products to align with Chewy's for at least 30 days (within 5%, and lower on many products with the instant veterinary rebates). In addition, hospital leadership teams have access to several coupon codes and rebates, many of which are only offered to veterinary clinics. Covetrus/VetSource offer free shipping on many products as well as auto-ship and clients will have peace of mind knowing they are buying products that are backed by manufacturer's guarantees with safe use as directly supervised by their veterinarian. We want to encourage communities to safely buy their medications local to support our clinics while remaining competitively priced.

Please note that some hospitals chose to opt-out of the 30-day pricing program outlined above. If so, the pricing at those hospitals will remain as set by each of those hospitals. In many cases, hospitals have chosen the default pricing on the platform which is generally within 10-15% of most third-party platforms (varies by product and over time as prices can change rapidly).

Hospitals always retain the option to adjust pricing on any product or category as they deem appropriate. In addition, hospitals always have the option to individually price-match at point of sale on a particular order.

As a multi-site operator, what areas of HD are most important for continued focus?

- Training: Making sure the hospital knows how to use their adopted platform and the WHY behind HD.
- Proactive Prescriptions: Making sure the hospital has integrated a proactive scripting process into their clinic workflow.
- Addressing Third-Party Requests: Does the clinic have a system for addressing these requests through their HD platform?
- Client Communication: Is the clinic communicating to their clients that their HD service offers competitive pricing, free delivery, and auto-ship, while offering the peace of mind of buying products shipped directly from manufacturers?

Who can hospitals reach out to at Covetrus/VetSource for live assistance on HD?

Covetrus can be reached at 888-280-2221.
- Contact Susan Tuller or Sarah Anderson at Covetrus to schedule individual training for your site

VetSource can be reached at (877) 738-8883.
- Contact Kim London at VetSource to schedule individual training for your site