

Taking Care of Business: ValueCentric Provides a Suite of Product-Tracking Services for Pharmaceutical Manufacturers

By Annemarie Franczyk, Buffalo Business First

Federal regulations enacted four years ago required better, more transparent financial reporting of the business world and created a lot more work for the nation's accounting firms in the process. The Sarbanes-Oxley Act of 2002 also understandably presented opportunities for companies that could track and detail business operations to the nth degree – and so ValueCentric LLC was born.

Founder and CEO David Janca applied his 20 years in the pharmaceutical industry in the development of ValueCentric and data management services for drug companies. Today, ValueTrak analyzes sales, inventory, service levels and supply chain data to 25 pharmaceutical companies. Using knowledge of distribution networks and delivery channels, the company provides analysis at various points throughout the pharmaceutical supply chain.

As Janca puts it: "We collect data and provide a rolling history of their sales, usage of the product and how that can lead to forecasting and production planning."

History: The seeds for ValueCentric were planted in the mid-1980s when Janca worked for Cardinal Health, rising to vice president of purchasing for the provider of services and products to the pharmaceutical and hospital industries and others. He left after a decade to open Supply Chain Solutions, a software company for managing purchasing and replenishment of inventory. For years later, he sold the company to a San Francisco buyer and stayed on with the new owners for a few more years until the federal legislation and a shift in reimbursement strategy prompted him to once again start his own business.

"The industry was shifting from a strategy of making money on price increases toward one where they have wholesalers making money on charges for services," Janca said.

The parallel change in federal regulation created an opportunity for ValueCentric to identify for its manufacturer-clients details from deep into the supply chain of wholesalers, hospitals, retailers and others. Using ValueCentric's system, manufacturers can know how much of their product was sold as of the previous night, for example.

ValueCentric pulls the data into its Orchard Park headquarters, where the system software operates. Customers can then use the Internet to access the data on-demand, paying for what they use. It's more efficient system, replacing traditional methods where software would be installed on the customers' hardware and the customer would be charged a monitoring fee.

Who's Who: In addition to Janca, administration includes Christopher Burke, chief technology officer; David Flood, vice president of information services; Debbie Shaw, director of implementation and training; and Joe Bovi, head of sales. Burke, Flood and Shaw followed Janca from Supply Chain Solutions, bringing their marketing credibility with them, Janca says.

Employees: Forty, mostly in development and technical areas.

Clients: Twenty five pharmaceutical companies use ValueCentric services. They include familiar names such as AstraZeneca, Johnson & Johnson, Roche Labs and P&G, and smaller, emerging companies introducing one or two products to the market.

What's new: Janca expects to consolidate the company into a 25,000 square-foot facility to be built around the corner. The new building, ready for occupancy in next May, will be nearly three times the company's current office space, now split between two buildings in Quaker Centre Industrial Park. "We're leaving room for growth," Janca says.

The growth is expected to come in part from the newly expanded sales department. Sales, once handled by Janca and one person in the field, is now headed by a vice president of sales and three field reps.

"We have an opportunity to double our customer base in 12 months," Janca says.

Greatest Challenge: ValueCentric successfully became SAS 70 certified as of January. Short for Statement of Auditing Standards No. 70, the certification is an internationally recognized auditing standard that indicated the company meets or exceeds an extensive list of controls in both business and technical operations.

The certification reduces the need for customers to build certain controls into their IT infrastructure in order to comply with Sarbanes-Oxley," Janca says.

Under SAS 70, if an organization uses a service provider to process transactions, host data, or other services, a company's management team may conduct a thorough evaluation of the service organization's controls, or they may obtain a SAS 70 auditors report from the service organization. A SAS 70 certification validates that a service organization has undergone and satisfied an in-depth audit of their internal and external control activities.

Proudest moment: Recognition by the Health Care Distribution Management Association for technology innovation, even though ValueCentric's product has been in the market for a few short years.