

# North Carolina Mutual Wholesale Drug Company

Durham, North Carolina

---

## Client

North Carolina Mutual Wholesale Drug Company (Mutual Drug) distributes to independent pharmacies across North Carolina, South Carolina, and Virginia. Formed as a cooperative, the company is owned and managed by pharmacists.

## Problem Statement

Mutual Drug sought to increase warehouse picking productivity while improving efficiencies, quality, and customer service. A fair and effective system for providing additional compensation to hourly employees based on this improved performance was needed. Tompkins Associates and Mutual Drug chose to develop a team-based incentive plan to balance the associate's contribution with compensation as well as to integrate an effective, structured continuous improvement process.

## Scope-Of-Work

Tompkins created a Warehouse Incentive Strategic Plan that included tools to evaluate hourly employee performance and defined associated performance measures, data collection methods, reporting systems, communication, and incentive methods.

Deliverables of the plan were:

- An analysis of the performance measures currently in use and documentation of the transition to recommended best practices measures and communication plan
- An analysis of the most effective method for collecting data both individually and for teams
- A computerized spreadsheet program designed to efficiently document and manage the incentive program
- Development of a communication plan to inform employees of the new incentive plan and the best methods of continuing to communicate throughout the year
- Recommended prioritization of opportunities for improvement from the current operations to begin implementation of cross-functional teams
- Necessary training materials and orientation program for successful implementation
- Strategic charters for all project teams

*continued on back*

- A detailed implementation plan
- Development of the incentive plan structure that includes:
  - Eligibility
  - Performance Gates
  - Financial Modeling
  - Payout Procedures
  - Activity Levels
  - Capital Improvement Clauses
  - Training

## **Results**

Tompkins' recommended plan objectively evaluates and measures all hourly associates utilizing best practices and the most effective method of incentives based on productivity, quality, and customer satisfaction.