



President Sam Lazich

DMS Pharmaceutical Group: 20 Years Old and Just Getting Started

By Mark Hendricks

Years ago, while reading a philosophy-themed book, Sam Lazich came across an ideal articulated by the author that basically read, ‘I don’t wait for the future to come to me; I give birth to the future.’

“I can’t recall the name of the book or who wrote it, but I do live by that principle,” Lazich says.

The Beginning of Something Special

That principle was firmly in place in 1995 when Lazich and his wife, Angie, were working at DMS, an information technology and computer consulting company they founded and owned. At the time, DMS had a contract to provide bar code work and other IT functions to Mylan Pharmaceuticals in Morgantown, West Virginia, a company whose pharmaceutical line had become by the 1990s the most widely dispensed in the country. Lazich had grown up in western Pennsylvania with Milan Puskar, one of Mylan’s founders, and the two lifelong friends often enjoyed lunch or dinner together.

On one such occasion, Puskar asked Lazich if DMS would ever consider being a wholesaler. One thing led to another, and the end result was the birth of DMS Pharmaceutical Group.

“We were so excited,” DMS Executive Vice President Bill Anderson

recalls. “At the time Mylan was the number one dispensed generic product line in pharmacies, but they had not made inroads into the hospital market yet, and that’s where Milan felt he was losing some market share. So one of the stipulations with Mylan was his request for us to sell and put their products into the hospitals.”

Although DMS Pharmaceutical Group was started as a wholesaler for Mylan, Anderson says they quickly realized they couldn’t represent just one manufacturer if they wanted to break into the hospital market because the hospital pharmacies were already buying from wholesalers who represented most, if not all, of the significant pharmaceutical manufacturers. And when he looks back at how the company has evolved over the last 20 years, Anderson says getting the other manufacturers to sell to DMS remains the toughest hurdle the company had to clear in getting the business up and running.

As they continued to wrestle with the realities of becoming factors in the hospital market, DMS Pharmaceutical got the break it needed to gain the attention of the other big players in the drug manufacturing industry. And it came from an entity located in their backyard.

“Being based here in Cook County, DMS received local business prefer-

ence which is how we got into the Cook County health system and that really helped us in a lot of areas,” Anderson explains. “It helped us grow quickly and it helped us get open with the vast majority of manufacturers. I mean, we still add manufacturers today, but getting in with all the core and key manufacturers happened during the time we were with Cook County.”

Twenty years later, DMS remains a privately held company.

As the years have passed, DMS has weathered many changes within the industry, most of which Susan Hennegan, DMS Vice President of Strategic Planning, attributes to the plethora of mergers and acquisitions that have changed the basic landscape of the industry and caused the manufacturer base to shrink. Some of the manufacturers with which DMS once had relationships have been acquired and no longer exist, or they have merged with others to form new companies with different owners and management teams. It’s a process Hennegan expects to continue over the next several years.

She also credits the Affordable Healthcare Act for much of the industry’s change and growth because companies are working to constrain costs to become more competitive, a strategy that she says is leading to more specialty suppliers.

“And that’s in a number of areas,” Hennegan adds. “For our customers, they’re looking at specialty clinics or outpatient facilities and ways to service that marketplace. The manufacturers are bringing out specialty products and trying to distribute them through limited distribution networks. You’re also seeing a difference with hospitals bringing on more physician groups and then trying to either acquire them or form huge partnerships with them. I think it creates opportunities for us to grow our business and to service more entities, but it also just really changes the whole marketplace going forward and also what your business model looks like.”

Despite the changes in the industry as a whole, Anderson says DMS has steadfastly held onto its acute care roots. The first customer DMS ever had is still a customer today.

“Certain customers come and go, but we’ve always remained true to the acute care or long-term care market,” Anderson adds. “We do some work in retail pharmacy, but really not much.”

Serving Those Who Serve America

In November of last year, the Department of Defense awarded DMS Pharmaceutical Group a prime vendor contract for worldwide distribution to U.S. military facilities. It was the second time in 10 years the company had won the bid for the contract, and it extends an association between DMS and the military that dates back to 2002.

“Our first contract for them was for the West Coast only,” Anderson says. “We’ve done a nice job with them and we’ve continually grown that with each subsequent bid.”

In fact, DMS has done such a good job for the DOD that they received recognition as a Silver Superior Supplier from the Defense Logistics Agency for 2013-2014.

At the time of that first West Coast contract, the war in Iraq had started and the patriotic fire ignited by the events of

Headquarters for DMS Pharmaceutical Group, Inc., is located in Park Ridge, Illinois.



9-11 was still burning across the country. Like many others, DMS began looking for ways to give back to the men and women who were giving so much of themselves to the country.

“We saw the tragedy and heartbreak and the other things going on, not only with the veterans, but also with the soldiers coming back injured,” Anderson remembers. “We wanted to give back to the soldiers and the Fisher House just jumped off the page at us.”

The Fisher House Foundation is best known for a network of comfort homes located at, or adjacent to, major military and VA medical centers across the country. The houses are constructed with up to 21 suites where military and veterans’ families can stay at no cost while a loved one is receiving treatment.

The foundation also manages a program called Hero Miles that allows

veterans’ family members to fly free of charge to be near their injured soldier and another, called Hotels for Heroes, that lets them stay free of charge in a hotel or motel located near the healthcare facility that is treating their wounded loved one.

“You know, there are all kinds of studies that show having family nearby helps the wounded soldier heal,” Anderson points out. “So it just made a lot of sense for us to become involved with Fisher House. They’re rated very high in terms of the amount of money raised or donated that actually goes to the cause — it’s not like 50 cents of every dollar is going to a CEO who is making a million dollars. And the cause is great. A Fisher House is basically like a Ronald McDonald House for military families. It’s a great organization, it really is, and we continue to support them.”

That support was especially evident



SPECIAL FEATURE

when DMS spearheaded the \$3.5 million fundraising drive to bring the first Fisher House to Illinois. The facility opened in 2010 on the grounds of Hines VA about 12 miles west of downtown Chicago. All told, DMS raised approximately \$1.7 million for the project, which was matched dollar-for-dollar by the Fisher House Foundation. The foundation awarded DMS a 2010 Patriot Award for their fundraising efforts.

Hennegan says DMS also supports other veterans' organizations like the Wounded Warrior Project and Operation Support Our Troops, which is located in Illinois.

"For our twentieth anniversary, one of the things we really wanted to do is give back again to a veteran's organization and we have decided to focus on renovating a home for a disabled veteran," Hennegan says. "We actually worked with people from different military- and veteran-owned organizations to help us find a local candidate and we currently have two candidates. We'll be doing some fundraising to make that happen and Sam is putting together a committee of people who will be doing fundraising and will also be the labor behind doing the construction work and so forth. Although we don't have a lot of details yet, the project is moving forward and we're very excited about it."

Sowing the Seeds for the Next 20 Years

As DMS celebrates its first 20 years, Anderson says the key to their success is good employees who provide great service. He says the company tag line — "Service is the Difference" — is the cornerstone to the company's relationships up to this point and it will continue to be so as they embark upon another 20 years.

"That's really how we've built our relationships: We under-promise and then over-deliver," Anderson stresses. "In my opinion, that's pretty much been the key. Just hard work, good employees and impressing the heck out of the customers that we service."

Lazich says technology has also played a significant role in the relationships DMS enjoys with its customers.

DMS' Angie and Sam Lazich, founders.



"We have state of the art technology that our customers find very user friendly," Lazich says without hesitation. "We do everything we can to provide exceptional service and deliver to our customers. I've always said, 'well done is better than well said,' and I'll stick with that."

From the beginning, Anderson says, DMS had bigger dreams than being solely a pharmaceutical distributor. Hence the name DMS Pharmaceutical Group.

Specialty Medical Distribution is the group's specialty pharmaceutical distribution arm and DMS Pharmacy Management represents the company's hospital pharmacy management interests.

In addition, DMS has entered the nutritional supplement market during the last year-and-a-half with its DMS Natural Health subsidiary. The mission is to provide individuals and families with wholesome and effective nutritional products of the highest quality available.

"We've launched our first product with DMS Natural Health," Anderson boasts. "It's called Just Thrive, and it's the next generation of probiotics and the only probiotic on the market today that also delivers essential antioxidants right at the site of absorption."

So after 20 years, Hennegan says the goal at DMS is to continue to provide the best service and products possible, even

as the wants and needs of its customer base shifts with the times.

"Whether it's through different divisions, different entities or spin-offs all within the healthcare area, you're not just doing the things you started with, but you're finding new ways to grow," she says. "It's all very exciting and I think there's a lot of opportunities out there to serve our customers in many other ways." ■

About the Author



Mark Hendricks earned his journalism degree from West Texas State University and has spent

25 years as a communicator and writer for private industry, non-profit organizations and academic/research institutions. He also works as a freelance writer; his stories and articles have been published by a variety of newspapers, magazines and trade publications.

*A
20th Anniversary
Thank You*



*No one who achieves success does so without
the help of others. The wise and confident
acknowledge this help with gratitude.*

— Alfred North Whitehead

When Sam and Angie Lazich launched DMS Pharmaceutical Group back in 1995, they began with a mission of service to the industry which continues to this day.

This year, DMS is celebrating its 20th Anniversary and knows it could not have been as successful as it has become without the support and friendship of its employees, customers, suppliers, and business associates.

So, as a major part of our 20th Anniversary Celebration, we would like to thank all of those who have helped DMS Pharmaceutical Group grow and prosper over the two decades. We greatly value our long-standing relationships.

Thank you for your support and we look forward to serving you for another successful 20 years.

*Your friends at **DMS Pharmaceutical Group***

SPECIAL FEATURE

A Five-Year Project of Love: Supporting the Troops through the Building of the Fisher House of Illinois

In 2005, Sam Lazich and Bill Anderson, made the decision to team up with the Fisher House Foundation to bring a much needed Fisher House to the “Chicagoland” area. Groundbreaking began that year and came to fruition on May 28, 2010.

“When we committed to being an integral part of the Illinois Fisher House project, we knew a large amount of funding would be needed to make the project happen,” Lazich said. “The challenge was, whatever monies we raised, the Foundation would match it. So Bill and I

passionately accepted the challenge and over the next five years, we were instrumental in raising almost \$1.7 million to bring the Fisher House to reality.”

The following is a pictorial review of this project that has been so near and dear to DMS. **HCD**



Sam and Angie Lazich converse with Dr. Gerald Schutter, center, chief of the Blind Rehabilitation Center at Hines.



Bill Anderson, DMS Executive Vice President, Ken Fisher, Fisher House Foundation Chairman, and Sam Lazich, DMS President.



Shown is DMS presenting the Fisher House Foundation with two checks — one for \$50,000 and the other for \$75,000.





The Fisher House Patriot Award was presented to Sam Lazich for DMS Pharmaceutical Group's support.



Sam Lazich, right, and Lt. Gen. David Huntoon Jr. in the Fisher House of Illinois' well-appointed kitchen area.



DMS participates in the groundbreaking ceremony.



Shown is the completed Fisher House that DMS was instrumental in bringing to Illinois. The house sets on the grounds of the Hines VA Hospital located 12 miles west of downtown Chicago.



Celebrating the "Cutting of the Ribbon" during the Open House festivities.