



# Cipla

## Cipla: Two-Tier ERP for pharma with SAP and itelligence

With a turnover of 1.78 billion dollars and over 20,000 employees, Cipla is a leading pharmaceutical company. Cipla wants to offer every person on the planet access to affordable and high quality medicines. Innovative technology is an important tool for this. Together with SAP partner itelligence, Cipla Europe has streamlined logistics with Two-Tier SAP ERP.

Partner

**itelligence** NITT DATA Business Solutions

# Management summary

## Company or Organization

Cipla

## Headquarters or Location

Antwerp, Belgium

## Branche

Pharma

## Products and Services

Medicines

## Employees

20,000 (2015)

## Revenue or Budget

1.78 billion dollars (2014)

## Website

www.cipla.com

## Implementation Partner

itelligence

## Business Transformation:

- Organising and optimising logistics processes Europe
- Implementing Two-Tier ERP to streamline data exchange with parent company and partners

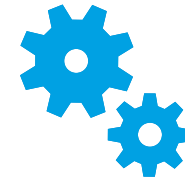
## Solution:

- SAP Business ByDesign (US and Europe)
- SAP ECC (India)

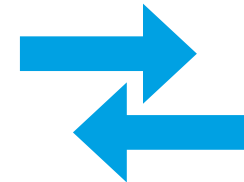
## Main advantages:

- Data exchange with partners and parent company in one solution
- Real-time insight into logistical processes
- Ordering as needed and not needing personal storage
- Contact via web services with logistics partner Essers for European distribution
- Also using web services with other logistical service providers in Europe
- Easy roll-out to other locations, countries, and continents
- Flexible growth without additional hardware investments
- Being open to collaboration with third parties

## TOP BENEFITS ACHIEVED



Replace logistics service provider within two weeks



Easily exchange data



ERP with no additional hardware

“By working together with itelligence, we found a solution for the loss of a logistics partner within two weeks.”

Daniel de Vries, Supply Chain Director, Cipla

## Management Summary

**Business Objectives**

## Solution

## Transformation

## Benefits

## Future Plans

# Logistics processes in Two-Tier SAP ERP

With 20,000 employees worldwide and a turnover of nearly 2 billion US dollars, Cipla is a leading provider of medicines. The pharmaceutical company was founded in 1935 in India by Dr K.A. Hamied and has set itself the goal of providing every person on the planet access to affordable and high quality medicines. The company uses innovative technology for this, both in the production of medicines (in India) and in its global logistics processes.

One example of the innovations Cipla uses is the implementation of a new Two-Tier ERP logistics solution based on SAP Business ByDesign. Together with SAP partner itelligence, Cipla has deployed this solution in ten European country in a very short time. Cipla also uses SAP Business ByDesign in the US to automate the logistics processes with the parent company in India.

Daniel de Vries, Supply Chain Director at Cipla in Antwerp: “We needed to organise our logistics processes in Europe within four months in order to enter the market in several countries at once. We also needed to take over the distribution in the UK because a logistics partner was lost there and we needed to secure the supply of our customers within two weeks.”

Company accountant KPMG shared positive stories about itelligence and knew that they have extensive experience in the pharmaceutical industry. This way, Cipla ended up with itelligence with a challenging task: “Deploy an ERP solution to streamline our European logistics processes within four months.”

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“In four months, itelligence has developed a working Two-Tier SAP ERP solution based on SAP Business ByDesign.”

Daniel de Vries, Supply Chain Director, Cipla

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## ‘Perfecting logistics processes with partners and the parent company’

itelligence helped Cipla implement the Two-Tier SAP ERP solution so that it could quickly optimise the logistics processes in Europe. De Vries: “itelligence was really the only supplier able to complete such a project within four months. There needed to be interfaces to the warehouse management system of our logistics partner Essers and our parent company in India. This system then needed to be rapidly deployed to ten European countries, from Belgium, the Netherlands, Hungary, Romania, Italy, Austria, the UK, Ireland, and Malta to Greece.”

“Our branch in the US had already done this, so we knew it was possible, but we had nothing in Europe yet. The power of SAP Business ByDesign is that it automatically delivers country-specific versions and has the flexibility to respond to the demands of a new and dynamic organisation like ours. The same applies to itelligence,” De Vries concludes.



Two-Tier SAP ERP solution for logistics in the pharma sector

“Thanks to SAP Business ByDesign, we can get large ERP projects like these working within four months,” says Hein Kivits from itelligence. We know the best practices in logistics and have knowledge of the pharmaceutical sector, so that we can create a complete Two-Tier SAP ERP solution quickly and in accordance with laws and regulations.”

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## Ordering as needed

From a central goods storage in Genk, Belgium, Cipla can now place orders as needed for all European countries at the parent company in India. Once the medicines receive the 'unrestricted' label, Cipla can deliver them to the customers. De Vries: "Distributor Essers is instructed via web services and interfaces. In countries where this partner is not active, orders go to a different logistics service provider via similar web services."

He continues: "From goods issue to billing: all logistics processes are fully automated. This transformation has obviously caused some dilemmas because we wanted to import existing data that turned out to be incorrect. The source data provided by our former logistics partner was polluted to the extent that we decided it was better to start with a clean slate."

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### TOP BENEFITS



Live in four months



Twenty million turnover



With 180 employees

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## Logistics chain 100% under control

Cipla mainly found the short implementation cycle of SAP Business ByDesign to be an advantage. De Vries: “The processes of Cipla fit well with the best practices of ByDesign. In addition, the standard web services ensured that we could quickly link up to our parent company in India, which uses SAP ECC, and the logistics service provider in Belgium that uses a custom AS/400 application. This means we could take over the order processing for forty trucks to the UK within two weeks.”

He continues: “We did not want a temporary solution. We really needed SAP to start our business as quickly as possible and be a part of the momentum in our market. The four SAP specialists who carried out the project on behalf of itelligence know our market, think with us, work fast, and do not stop until they are satisfied. In part thanks to itelligence, we achieved a turnover of 20 million in Europe in the first year with 180 employees.”  
“Because we use SAP standards and itelligence

filled out the chart of accounts, the right VAT percentages are available per country immediately and fifteen end users could get started right away. This resulted in a high degree of acceptance in the workplace. Thanks to the intuitive interface, everyone can quickly find their way in the new system, and we are even making logistical reports ourselves now.

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## New functionality and adding countries

SAP Business ByDesign was initially launched in ten European countries with an emphasis on logistics processes. In the second phase, Cipla wants to deploy the solution in other European countries, such as Germany (an important market for Cipla), Spain, Croatia, the Czech Republic and Slovakia. De Vries: “We also want to expand the solution with new functionality, such as contract management, forecasting, CRM, and financial planning. We now know how the solution works and what complications we will encounter, so with the remaining European countries, the process is expected to be even simpler than before.”

“Thanks to the ERP specialists at itelligence, we will further expand our business in Europe in the coming years. We can probably also streamline many other processes. With the flexibility and innovations of SAP and itelligence, who automatically include the best practices of our industry in their solutions, we can quickly respond to growth opportunities in our market,” concludes a satisfied De Vries.





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