

## SAP Customer Success Story Life Sciences – Pharmaceuticals



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### AT A GLANCE

#### Summary

To comply with Wal-Mart's requirement for radio frequency identification (RFID) tags on products and to enhance the security of its operations in general, Purdue Pharma implemented SAP® RFID technology and other software from SAP.

#### Web Site

[www.purduepharma.com](http://www.purduepharma.com)

#### Key Challenges

- Enable high-speed pharmaceutical production lines with RFID technology to comply with Wal-Mart's mandate for RFID tags on products
- Explore avenues for leveraging RFID investment to position the company for future supply chain and regulatory requirements

#### Project Objective

Implement the RFID solution on a tight schedule

#### Why SAP Solution

- SAP's comprehensive, integrated approach to software
- SAP's commitment to RFID

#### Implementation Highlight

Integration with existing SAP software

#### Key Benefits

- Ability to meet key customer requirements
- Can track products at the item level
- Increased security for scheduled analgesics and other pharmaceuticals
- Enhanced visibility into in-house supply chain
- Foundation can support expanded use of RFID

## PURDUE PHARMA

### SAP® RFID Drives Value for Today and Tomorrow

In 2003, retail giant Wal-Mart announced that its suppliers would soon need to ship their products with radio frequency identification (RFID) tags, which enable the automatic tracking of goods. Like many suppliers, Purdue Pharma L.P. began investigating ways to comply with that mandate. But unlike many, the Stamford, Conn.–based pharmaceutical company decided to do more than simply address the immediate challenge, and instead took a more strategic view of RFID.

“We wanted to go beyond the ‘slap-and-ship’ mentality of just sticking ID tags on bottles and sending them along in order to comply with the mandate,” says Chuck Nardi, information officer, commercial systems, Purdue Pharma L.P. “As a supplier of scheduled analgesics, we’re very focused on security. We saw this as an opportunity to take a broader look at RFID and the value we could get out of it over the long run.”

After exploring several options, Purdue Pharma decided to implement SAP® RFID technology, which gives companies a complete, robust RFID infrastructure. Nardi says that the decision was based on SAP's comprehensive, integrated approach to software and deep commitment to RFID. “This is still a leading-edge technology, so everyone is new at it,” he says. “But as the whole RFID space shakes out in the next couple of years, we know SAP is going to be there.”

Purdue Pharma teamed up with SAP and Matrics, the Rockville, Md., supplier of RFID tags and readers, to implement the RFID solution on a tight schedule.

SAP RFID technology allows tracking and tracing of goods at the item level, rather than by the pallet or case — a degree of precision that is vital in dealing with pharmaceuticals. Individual items are tagged on a high-speed packaging line. As they are packed into cartons, the tagged items are read by the system, which also verifies the accuracy and uniqueness of individual electronic product codes (EPCs). The tagged items are read again

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as they are put into a secure vault for storage, and read a third time when they are shipped to the customer. By capturing EPC numbers at the packaging stage and linking them to EPC data confirmation on order delivery, the process provides an important means for minimizing product diversion.

### **Up and Running: Ready for the Future**

SAP RFID has enabled Purdue to move smoothly into the new technology to meet the requirements of a key customer, but that is just the beginning. The company has also enhanced its ability to keep products secure and gained a level of visibility into inventory that it simply did not have with bar codes. That ability helps position the company to meet future requirements from the U.S. Food and Drug Administration and the Drug Enforcement Administration across product lines at all of its facilities.

Just as important, SAP RFID gives Purdue Pharma a solid foundation for using RFID technology in other areas. “We know we have a very scalable solution that works and that can easily be ramped up to support new products and processes as we need it,” says Nardi.