

## SAP Customer Success Story



mySAP Supply Chain Management has helped **Aventis Pharma** to dramatically reduce planning cycles in its production facilities in Frankfurt, Germany and to become more flexible in managing its supply chain. mySAP SCM has enabled the enterprise to not only optimize production schedule planning and the flow of information and materials, but also to increase the turnover of stock from inventory.



## **AVENTIS PHARMA CUTS ITS PLANNING CYCLES FROM TWO WEEKS TO TWO DAYS WITH mySAP™ SCM**

### **LEADER IN THE HEALTH AND NUTRITION PRODUCTS MARKET**

Aventis Pharma, the pharmaceutical arm of Aventis S. A., is the result of the merger between Hoechst and Rhône-Poulenc. The company employs 95,000 people in more than 80 countries. Aventis Pharma Germany has around 7,000 employees, and in 1999, its revenues totaled DM 4 billion (approximately U.S. \$1.8 billion), making it one of the leading pharmaceutical enterprises in Germany. With its innovative medicines and services, the company has gained recognition from doctors, pharmacists, and patients. At its strategic production location

in Frankfurt am Main, around 1,500 employees concentrate on production technology for sterile liquids, semi-solid forms, drug delivery systems, and solids packaging in the specialized areas of diabetes, cardiovascular systems, and anti-infectives.

The Frankfurt-based enterprise already had a highly integrated data flow within the supply chain process, thanks to its SAP R/3 system. However, local supply chain planning showed great potential for improvement. A material requirements planning (MRP) approach no longer met the complex requirements of pharmaceutical production planning or shop floor control. More working hours, too many sequential planning stages, and average planning cycles of two weeks were preventing Aventis from reacting quickly to short-term market changes.

### **INNOVATIVE PLANNING PROCESSES INCREASE COMPETITIVENESS**

To fully optimize its planning processes and thus increase value creation along the supply chain, Aventis decided to implement mySAP SCM to manage its global and local supply chains.

### **COLLABORATION REDUCES COSTS AND INCREASES FLEXIBILITY**

First, Aventis commissioned Camelot IDPro AG to carry out a prototypical feasibility study based on Camelot IDPro's mySAP SCM Starter Pack. The Mannheim, Germany-based consultants and long-term SAP development partners were experts in advanced planning and scheduling (APS) technology and mySAP SCM. Camelot IDPro mapped various global and local planning scenarios from Aventis' supply chain in all the mySAP SCM key areas onto a preconfigured system and integrated it into the existing SAP R/3 system.

With intensive support from an SAP development team, Camelot IDPro started work with the ambitious goal of redesigning production planning and control for pharmaceutical production. The ultimate objective was to reduce production planning expenditures and to increase flexibility in the supply chain.

### **OPTIMIZED PLANNING**

The greatest challenge was realizing optimized production schedule planning, while adhering to pharmaceutical production restrictions and business objectives, such as minimizing setup times and storage costs. The simultaneous planning approach and the use of SAP liveCache eliminated three successive planning stages. Production planning and detailed scheduling have now replaced material requirements planning, capacity planning, and order sequence creation in the linked satellite system.

**“Shortening the planning cycle from two weeks to two days enables us to immediately react to changing market and working conditions as well as adapt our planning to current demand.”**

Dr. Christoph Heinemann, Aventis Commercial  
Operations e-Business

#### **REAL-TIME PLANNING**

Data for planned independent requirements from SAP R/3 trigger the new accelerated planning process. This is followed by simultaneous production schedule planning, and the optimized results – planned production and procurement requirements or sequence-optimized production orders – flow back to mySAP SCM to process the sales order. This all takes place in real time with fully integrated data. Additional advantages include reduced safety stocks in the long term for Aventis’s international subsidiaries.

#### **HIGH SAFETY STANDARDS**

The project team had to take into account industry-specific working conditions during implementation. For example, it had to validate the system in accordance with the strict regulations of the U.S. Food and Drug Administration (FDA). This included producing detailed documentation of user requirements from the proposed planning system. These formed a template and parameterization for technical implementation of the system and were validated using extensive test plans across the entire system. This was necessary because the FDA stipulates that all test results should be unambiguous and reproducible.

#### **ECONOMICALLY SOUND AND SET FOR THE FUTURE**

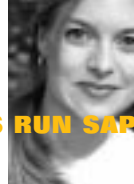
The investment has paid off for the company, and is building a foundation for future success. “We expect a return on our invest-

**“Demonstrable optimization potential and seamless integration with the R/3 System were critical factors in our decision to implement mySAP SCM at Aventis.”**

Andreas Langsdorf, head of I/S Business Process  
Design & Maintenance at Aventis

ment in less than two years,” says Dr. Christoph Heinemann, head of e-business at Aventis Pharma. “The next stages of roll out in Frankfurt have started at all product and production levels. The next global mySAP SCM project will include creating a network for production planning at our strategic locations.”

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**At A Glance**

<b>Software</b>	mySAP Supply Chain Management mySAP Business Intelligence
<b>Hardware platform</b>	HP
<b>Operating system</b>	HP-UX
<b>Database</b>	Oracle