SAP BusinessObjects™

SAP Customer Success Story
Healthcare

CLIFFORD HALLAM HEALTHCARE

SAP® SOFTWARE: JUST WHAT THE DOCTOR ORDERED FOR REPORTING WOES

"We chose SAP software as it is very robust. Furthermore, SAP always delivers software that is current and up-to-date."

Ged Halstead, Chief Information Officer, Clifford Hallam Healthcare Pty Ltd

QUICK FACTS

Company
- Name: Clifford Hallam Healthcare Pty Ltd
- Location: Melbourne, Australia
- Industry: Healthcare
- Products and services: Wholesaler and distributor of pharmaceuticals and medical consumables and equipment
- Employees: 350
- Web site: www.ch2.net.au
- Implementation partner: Avantis Information Systems Pty Ltd.

Challenges and Opportunities
- Minimize errors and increase efficiency
- Reduce time to generate, collate, and send reports to customers and suppliers
- Analyze business performance to ensure sustainable growth

Objectives
- Enhance the company's supplier partnerships
- Provide suppliers with a user-friendly Web-based portal that adds value to reporting structure already in place
- Enable suppliers to access and manipulate relevant data at their convenience
- Improve staff efficiency by eliminating manual administration tasks

SAP Solutions and Services
SAP® BusinessObjects™ Edge Business Intelligence (BI) software

Implementation Highlights
Integration with legacy enterprise resource planning solution

Why SAP
- A trusted brand
- Robust software that is easy to learn and implement
- Users' familiarity with SAP software

Benefits
- Enhance supplier and customer satisfaction by enabling them to generate the reports on an as-needed basis
- Generate reports within a time frame that suits the suppliers' needs
- Decrease stock-taking time by half
- Enhance competitive edge with reports that provide accurate insights to business performance
- Improve ability to respond to business changes and challenges
- Generate stock-variance reports
- Improve decision making

Existing Environment
SAP Crystal Reports® software

CH2
CLIFFORDHALLAMHEALTHCARE

For Clifford Hallam Healthcare Pty Ltd (CH2), technology is a critical component of the company's strategy to drive sustainable business growth. Headquartered in Melbourne, Australia, CH2 is one of the country's largest wholesalers and distributors of healthcare products and services. "We operate in a highly competitive market, and the challenge is to grow our revenue in a cost-conscious world," says Ged Halstead, CIO of CH2.

"Our margins are very thin, which is why it is critical to optimize our business assets and derive as much efficiency within our operations as possible," he continues." We cannot afford to make any mistakes. Technology is key in helping us get things right the first time."

Making order and delivery mistakes can be detrimental. The company has 50,000 customers to satisfy as well as 17,000 SKUs and 320,000 order lines to manage each month. Its customer base includes public and private hospitals, primary healthcare, aged care and community health, and veterinarians. Clifford Hallam also works with 750 suppliers to fulfill the demands of its customers. Its supplier list includes some of the biggest names in the healthcare industry: Novartis AG, AstraZeneca PLC, Pfizer Inc., Hospira Inc., B. Braun, 3M, and Baxter Healthcare.

CH2 generates and owns a large volume of data. Management sees this data as an important asset that can be leveraged for use by staff as well as customers and suppliers. Hence, the company selected SAP® BusinessObjects™ Edge Business Intelligence (BI) software to drive maximum value from its business data in order to enhance its competitive edge and customer satisfaction.

Offering Value-Added Services

CH2 already offers IT solutions such as the complimentary CH2 Simple Ordering System (SOS). The system allows customers to access CH2's product inventory and pricing details and to place their orders directly into CH2's enterprise resource planning (ERP) system. CH2 SOS also enables suppliers to receive customers' POs and send PO acknowledgements directly from their own ERP systems.

The company also sends supply-chain management reports to suppliers and customers on a daily, weekly, and monthly basis. These reports give them information on their fill rate, stock position and movement, customer usage data, and other supply chain–related information. "We generate 28,000 reports a month. About 24,000 reports are for suppliers, and 3,000 reports are for customers," says Halstead. "We don't charge for this service. Our aim is to offer more value to our partners by delivering to them a more flexible reporting base of products. Of course, we are looking to share the cost burden. So we are looking for partners who appreciate the value of real-time data delivered on their terms."

The rest of the reports are used internally and cover every facet of the company's business: fill rates, order statistics, credit analysis of customers, slow-moving stocks, and more. These are sent to approximately 60 team members from the management team, finance, state management, sales, procurement, logistics, and warehouse departments.

Time-Consuming Processes Affecting Operational Efficiency

Since 2006 CH2 has been using SAP Crystal Reports® software to generate and manage business reports, but even with that software in place, report management was still a time-consuming process. "The administration process was manual, and we needed dedicated staff to maintain and update recipients' contact details. And if we had to regenerate reports as a result of data changes, we had to manually call the relevant customer or supplier about the change," recalls Halstead. The company also spent a great deal of time dealing with customer complaints. An equally vexing situation arose when reports were not delivered to the right individual because someone had left the company, switched jobs, or changed surname.

A Trusted Partner

CH2 selected SAP BusinessObjects Edge BI because its employees are already familiar with SAP software. "It is important to work with a partner that we trust. We chose SAP software as it

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is very robust. Furthermore, SAP always delivers software that is current and up-to-date," remarks Halstead.

Avantis Information Systems Pty Ltd., an IT consulting company, is another partner that CH2 trusts to ensure a smooth project rollout. "Avantis was with us right from the get-go, and they were integral in helping us implement the software. They are knowledgeable, and they understand our business, which makes them very good people to work with," Halstead elaborates. With support from Avantis, CH2 expanded its SAP Crystal Reports software to include SAP BusinessObjects Edge BI software for internal users in November 2009. It then expanded use of the new software in April 2010 to build a portal for suppliers.

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Empowering Suppliers

The healthcare provider has divided the reports accessible to suppliers via the portal into three tiers: bronze, silver, and gold. Each tier has a different level of report-generation capability, with gold being the most advanced and detailed. The portal went live October 2010 and is currently being used by four tier-one suppliers. As of March 2011, CH2 is charging suppliers for using the portal, providing 50 tier-one suppliers with portal access by the following July. "In the past, we couldn't determine whether suppliers received the type of reports they needed. We want to give them a tool that allows them to slice and dice data on their own and in any way they want. Using SAP BusinessObjects BI Edge software, we have built a portal that serves as a low-cost report-generation tool that suppliers can manage themselves," explains Halstead.

Halstead adds that the SAP software has many advantages for his company. Not only is this software easy to learn and implement; it integrates with CH2's existing JD Edwards Enterprise One ERP application. The CIO is also impressed with SAP BusinessObjects Web Intelligence® software, which gives users self-service access to data and the ability to create reports easily, with just a few mouse clicks. "The ability to build personalized business dashboards and visualizations is a major carrot for us," says Halstead, who adds that CH2 plans to optimize the use of dashboards, using the feature to gain clearer insights to the company's performance.

Enhancing Supplier and Customer Satisfaction

Although CH2 has yet to roll out the portal to all its suppliers and customers, management looks forward to accruing more benefits. Previously, the company took five working days to generate, collate, and send reports. Now, staff members can immediately schedule and prioritize report production within a time frame that suits the suppliers' needs. "This is, however, still a manual process. That is why we are keen to transfer all our customers and suppliers over to the portal as soon as possible. We can then free our resources to focus on more value-generating work," says Halstead. Currently, suppliers using the bronze-tier portal can retrieve their reports based on the schedule set out for them previously – daily, weekly, or monthly. Those in the silver and gold tiers can retrieve theirs in real time. The company expects that when the portal is fully operational, staff productivity will improve, since employees will no longer have to manually manage users' contact details. Customers and suppliers will be able to administer their own information for as many as five users per company. "With this portal in place, I expect supplier engagement to improve tremendously. This is because they will have access to a whole universe of data and reports that are customized to their needs, not the reports that we think they need," says Halstead.

Improving Decision Making

"SAP BusinessObjects Edge BI software has served as a wake-up call, highlighting areas that we should work on to improve our business," Halstead adds. For instance, by using the software to analyze stock movements, staff now can find out which ones are trending to slow moving. This allows CH2 to address problems before they escalate – or even make preemptive moves to prevent products from falling into the

slow-moving stock category. Management can now review and analyze the performance of the company's account managers to come up with strategies to serve customers better. SAP BusinessObjects Edge BI software has also cut stocktaking time in half.

"We were unable to easily measure accuracy of our inventory previously, but we can now generate a stock variance report with the SAP software. Thanks to SAP, we have greater insight into our business operations than before. We will use this insight to enhance performance, drive efficiency, and increase customer and supplier satisfaction," concludes Halstead.

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