



Servimed: Automating and Optimizing Logistical Processes with SAP® Extended Warehouse Management

Customers appreciate the excellent service they receive from Servimed, a Brazilian wholesale distributor of pharmaceutical and hospital products. When establishing its fourth distribution center, Servimed worked with SAP® Consulting to implement the SAP Extended Warehouse Management application, enabling even better service for customers.

Executive overview

Company

Servimed Comercial LTDA

Headquarters

Bauru (São Paulo), Brazil

Industry

Wholesale distribution

Products and Services

Distributor of products for pharmacies, drugstores, perfumeries, supermarkets, private hospitals, home care, clinics, and medical and surgical centers

Employees

1,850

Web Site

www.servimed.com.br

Partner

SAP® Consulting
www.sap.com



BUSINESS TRANSFORMATION

Objectives

- Support logistical processes in the new distribution center
- Introduce a system that can be rolled out to all warehouses in all distribution centers
- Implement a solution that requires minimum customization
- Automate and optimize logistical processes

Resolution

- Deployed the SAP® Extended Warehouse Management (SAP EWM) application
- Implemented the application quickly using the SAP EWM rapid-deployment solution
- Integrated SAP EWM with the existing SAP ERP application
- Partnered with SAP Consulting

Benefits

- Process optimization and automation
- Information reliability
- Data track-and-trace capabilities
- Ability to support growth and integrate all warehouses

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“SAP EWM has enabled better warehouse management and enhanced efficiency in our new distribution center. This facilitates company growth, allowing us to unify technology across all warehouses.”

Claudio Moura, CIO, Servimed Comercial LTDA

400%

Productivity boost with split master orders

Transparency

With track-and-trace capability for data and processes

6 months

To implement using the SAP EWM rapid-deployment solution

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Future plans

Process automation to support company growth

Servimed began in 1973 as a pharmaceutical distributor in Bauru, São Paulo. It has since expanded into hospital and wholesale supply, and today ships and bills an average 20 billion orders per day. This growth made it necessary to open up distribution centers across the country in the states of São Paulo, Rio de Janeiro, Minas Gerais (MG), Mato Grosso do Sul, Paraná, and Goiás, and in the Federal District, in order to serve customers in the most efficient way possible.

Until 2014, Servimed received and shipped customer orders through its three distribution centers in Ribeirão das Neves (MG) and Bauru. Although it used the SAP® ERP application to run its business, the two distribution centers were operated by non-SAP systems that managed warehouse operations, goods entry and shipment, and other logistical processes.

As part of a major business and IT transformation program, Servimed began to harmonize its technological solutions.

“As we ran our core systems on SAP software, delivering good results, we decided to unify all our solutions on SAP software in the medium term,” says Claudio Moura, CIO at Servimed.

When establishing its fourth distribution center in Rio de Janeiro in 2015, the company looked at the SAP Extended Warehouse Management (SAP EWM) application. In addition to meeting all the requirements of the new distribution center, the application was suitable for integration with existing and future distribution centers. “The plan was that all distribution centers would run with the same solution,” explains Moura.



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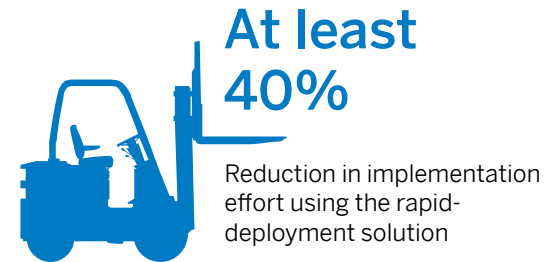
Future plans

Automated end-to-end warehouse management

Servimed implemented SAP EWM in the Rio de Janeiro distribution center with support from SAP Consulting. The project was completed in only six months, using the SAP EWM rapid-deployment solution. "There was a 40% reduction, at least, in implementation effort using the rapid-deployment solution, compared with the traditional approach," states Moura. "As well as unifying SAP technology in the company, the ability to adapt the functionalities of SAP EWM to Servimed requirements and the low level of customization needed were fundamental."

Moura explains that in order to minimize the customization needed, the business redesigned and adjusted processes to suit the standard specifications of SAP EWM. "We defined key users, involved both management and all business areas that were directly or indirectly linked to the project goal, and implemented a change management and communications program."

All in all, the project involved 28 people, including IT professionals, consultants, key users, system change



experts, and operators. Moura adds that 1,562 specific tests and 1,541 integration tests were conducted. All of these were essential to help ensure the solution had 100% reliability.

SAP EWM is now integrated with SAP ERP and other SAP solutions used at Servimed. SAP EWM manages all operations in the Rio de Janeiro distribution center, which has a storage capacity of 82,665 cubic meters and moves over 40,000 units per year.



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Automated, reliable, and controlled processes

The Servimed distribution center in Rio de Janeiro has achieved completely integrated and automated logistical processes using SAP EWM. "All our processes, from warehouse management and goods entry to replenishment and shipment out of the Rio de Janeiro distribution center, are integrated with SAP EWM. This optimizes our teams' activities and workflow," explains Moura. "We win: with full process control, reliability, and track and trace."

One advantage of SAP EWM is the level of information reliability enabled by the automation and best practices

adopted in the distribution center. "We track and trace data and know exactly where it was entered. We can also pinpoint the status of a specific item," says the CIO.

With the experience gained in implementing SAP EWM in the Rio de Janeiro distribution center, Servimed is now preparing to expand the application to its other three centers in São Paulo and Minas Gerais. "We are prepared for this migration," says Moura. "The implementation in the new distribution center was the basis for harmonizing technology and boosting productivity in the other Servimed facilities."



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Expansion of SAP EWM to other business processes

Having achieved very positive results with SAP EWM, Servimed plans to roll out the solution to its other distribution centers.

In line with its strategic plan to harmonize technology across all logistical processes, the company also intends to use SAP solutions to automate other business processes.

Among the SAP software options being considered are innovative solutions in the cloud.



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