



At a Glance

DKSH Shanghai

Industry

Trade

Number of Employees

15,000

Solution

Epicor iScala

Business Benefits

- Low TCO (total cost of ownership)
- Extending customer lifecycle by improving quality control, lowering cost, improving customer service, reducing claim cost and improving profitability
- Maximizing use of warehouse and facilities through bin control
- Automatically tracking and releasing products by criteria including quality status, expire date based on FEFO (first-expiry-first-out) rule, lowering scrape cost, improving space usage
- Shortening service lead time from request to fulfillment, improving customer satisfaction and use resources and products more effectively
- Complete control over product lifecycle, from initial installment, maintenance, after-service to creating more business opportunities including sales of spare parts, products upgrading, configuration and even down to withdrawing products from the market when required

“Epicor iScala provides us with the right information technology and the right service for our partners, and it helps us to satisfy our individual customers’ needs. This is absolutely a challenge of scalability, compatibility and performance for any ERP system, but for us Epicor iScala performs well without pitfall.”

Lan Zheran,
Chief Information Officer
DKSH Shanghai

Collaborative ERP Creates Business Opportunities for DKSH Shanghai

In the 1860’s, three pioneering young Swiss entrepreneurs created the DKSH company. Over nearly one and a half centuries’ development, DKSH employs over 15,000 specialized staff in 48 countries. It coordinates a network of about 150 offices throughout Asia and more than 20 offices in Europe and the Americas. DKSH is the number one marketing and services Group in Asia.

DKSH focus on six business sectors, Consumer Goods, Healthcare, Specialty & Life Science Chemicals, Food & Ingredients, Premium Pet Products and Technology. DKSH is recognized as a leading provider in Asia of total supply chain management solutions for the pharmaceutical and healthcare industries, representing and teaming with global pharmaceutical manufacturers like Bayer and Organon. DKSH represents various European consumer products brands including Hero Jam, Fisherman Candy, and Lindt Chocolate.

DKSH does business throughout Asia including China, Philippines, Korea, Indonesia, Hong Kong, Taiwan and Japan. DKSH Shanghai Ltd. is a fully owned subsidiary of the DKSH Group, it oversees 57 offices across China, including 9 branch companies in commercial centers of China, including Shanghai, Guangzhou, Beijing, Hangzhou, Chengdu, Tianjin, Chongqing, Wuhan and Shenzhen.

Sharing information across global operation units

The organization structure of DKSH Shanghai reflects its operational complexity. DKSH operates the business based on knowledge about its environment and the company collaborates closely with experts and partners around the world. This type of business model needs a streamlined flow of information on a common ERP platform that can cope with a number of different languages.

Lan Zheran, Chief Information Officer for DKSH explains, "We decided to deploy Epicor iScala Pharm, not only because of Epicor iScala's reputation in the market, but also because of Epicor iScala's traditional European quality, compatibility and reliability. We believe that only Epicor iScala can satisfy our needs for complicated data classification and the system is able to align with our advanced marketing, logistic facilities and skills sets. Also, only Epicor iScala can effectively save us time and money while at the same time improve our overall service quality. In summary, Epicor iScala Pharma is in line with our business interests."

Zheran continued, "We have used Epicor iScala since 1988. First in Korea, then Taiwan and finally also in China. Now, in China alone, there are 48 concurrent daily Epicor iScala users. The Philippines has the same number of users. Epicor iScala's capability for supporting logistics processes across regions and across diverse distributors, provide DKSH with remote control over our international business. It provides us with the right information technology and the right service for our partners, and it helps us to satisfy our individual customers' needs. This is absolutely a challenge of scalability, compatibility and performance for any ERP system, but for us Epicor iScala performs well without pitfall."

Epicor iScala Pharma Meets the Challenge

Commenting about the changes that the company had to go through after implementation, Zheran says, "We offer highly efficient market access service covering sourcing, distribution and after-sales services. The company operates two large warehouses in Shanghai, one, with 2880 bins, is used for storing pharmaceutical products, and another one with 5257 bins, is used for storing consumer products."

Any pharmaceutical storage must meet the regulatory body's stringent requirements. For bin management, it has to for example have capability to store different types of pharmaceutical products by different temperatures (cool, above or under 20 degrees Celsius). More importantly, pharmaceutical products have to be stored based on their characteristics. Volatile and acid products have to be stored separately from other types. With the complicated logistics processes and rigid regulations, DKSH faced the challenge of processing, marketing, and managing products and products application successfully. With Epicor iScala Pharma in place, DKSH is now powered to gear up for further development.

"Before using Epicor iScala Pharma, our employees had to judge the pharmaceutical products' characteristics and locate the places where they are stored, based on knowledge and experience. It was hard to be 100% correct all the time," explains Zheran "It is a common scenario here that it takes two to three days to collect the right information about where to store the new incoming pharmaceutical products. Epicor iScala Pharma offer us three significant improvements in this area: quality control, bin control and batch control.

Zheran continues, "For quality control, the system now automatically controls whether to release the products into distribution or production based on quality status, expiry date or delivery date, so we can ensure high quality delivery to customers. For bin control, it ensures the products to be stored according to their characteristics, maximizing warehouse usage and storage, speeding up logistics processes, and it allows us to complete all stock-in and stock-out in one single day."

Epicor iScala's batch control function enables the company to automatically, quickly and securely track and trace batches over the complete process from raw material to final product delivered to customers. It also supports unlimited times of stock transfers among distributors and repackage. The batch control functionality allows the company to easily define batch number and date using the built-in templates including production date, receipt date, expiry date, best before date and ship date, as well as potency date (ingredients or raw materials). Epicor iScala Pharma supports FEFO (first expiry first out), and by being able to check quality status and expire date, a company can make the best use of storage periods, effectively allocate resources available throughout regions, minimizing the scrape cost made by overdue storage, then maximize the margins for the company.

Epicor iScala Service Management Puts Quality High on the Agenda

The Chinese market today is full of challenges, and margins continue to be slashed to create better profitability. With reputation as the "Power House in Asia Marketing and Service", DKSH regards high quality service as the way to retain customers and increase revenue. To deliver a product to the customer is not the end of the sales process. Product and customer lifecycle management have never been as important as in today's competitive market.

Since DKSH Shanghai implemented Epicor iScala Service Management, it has played a fundamental role in coordinating each service center to improve customer satisfaction, ensuring the best use of available resources and materials, delivering products at the right time, right place and with the most cost effective ways, ensuring high customer satisfaction.

Lan Zheran uses an example to explain the application of Epicor iScala Service Management. "Take a piece of wire, how do we calculate its cost in service? Frankly, there is no easy solution. You have to include things like labor time, spare parts (in service) and material cost. Epicor iScala Service Management can comfortably deal with complex pricing tasks. For example, one barrel of refrigerant has to be charged multiple times and Epicor iScala can cost each of the charging, and even in detail record prices no matter whether they are within warranty or not, with the individual periods based on serial numbers. This is functionality that no other packages could provide us with. Service invoicing is now done correctly and comprehensively, service contracts are renewed on a timely basis, service and spare part prices are updated accurately, and we can concentrate on maximizing profits."

Epicor iScala Service Management improves the management of a product lifecycle. It automatically tracks information like machine operation status, part replacement, return cycles, products upgrade or configuration. Even more, with the help of accurate records, a company can identify the quality level of the suppliers, they can improve the resource and materials utilization, and enlarge its supply capacity. It can also help to improve customer satisfaction as it can shorten lead time from service request to service fulfillment. For example, DKSH supplies equipment to global franchises like McDonald's and Kentucky Fried Chicken. By recording four specific dates and times of after sales service, their customer service has been significantly improved. They now record:

- 1) The service request call,
- 2) The dispatching engineer,
- 3) The engineers arriving at the field, and
- 4) Completing the required service activities.

Through these accurate records of service activities, a company can streamline its processes, optimize the system configuration, speed up processes and identify responsibilities, and then fairly measure what level of service effectiveness that could be achievable, allowing the service quality to extend from initial installment to maintenance and after-service as well.

Collaborative ERP Creates Business Opportunities

By integrating Service Management with all other Epicor iScala modules, DKSH Shanghai has achieved information integration throughout their business processes. This allows the company management to get a speedy overview of the performance of each operation unit around the world.

Zheran says, "At DKSH, we value the importance of service, expertise and company value. For customers, DKSH does not only mean a name but a supplier of trustable, reliable, professional and reputable solutions, and the determination and passion to work with partners to explore and create future challenges. This is why we decide to introduce Epicor iScala Pharma. We are happy with the performance we have achieved, and Epicor iScala has been indispensable to us so far."

Zheran concludes that Epicor iScala stands in the best position in terms of performance to price amongst midmarket ERP solutions, because of its powerful business functionality and reasonable price. "We are happy to work with Epicor Scala, and believe that the investment in Epicor iScala will continue to bring us great return, create more opportunities and help DKSH to develop more healthily."

About Epicor Scala

Serving over 20,000 customers in over 140 countries around the world, Epicor Scala is a global leader dedicated to providing integrated enterprise resource planning (ERP), customer relationship management (CRM) and supply chain management (SCM) software solutions to midmarket companies.