How Do You Plan a Business in a More Complete, Integrated Way?
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Each and every day, 70 million people around the world rely on Merck KGaA's medicines. Merck, which is celebrating its 350th anniversary, has been achieving pharmaceutical breakthroughs longer than any other company on earth. There's more to making it that many years than science and medicine. You can't do it without also knowing a few things about running a business. But Merck wanted to do even better at the business aspect by integrating sales and operations planning related to its medicines more tightly with financial planning, to always better serve patients.

Merck began by identifying the gaps that were hampering planning throughout commercial, financial, and operational processes. Then, it developed some high-level ideas for filling these gaps and sought the solution and implementation partner best suited for putting those ideas into practice. The search led to the SAP® Integrated Business Planning solution and Accenture. It worked: sales and operations planning are now providing higher visibility across all supply chain activities of its medicines and better alignment with financial planning. That's good news for those millions who count on Merck's medicines, because sound business practices means better products faster.
“In our healthcare business, efficient demand planning is the first critical element to ensuring best-in-class service levels while maintaining financial performance. It was crucial for us to have a solution that could easily manage supply chain and financial forecasting on one common platform.”

Jean-Luc Hospital, Director CoE Demand Management and IBP, Merck KGaA

Since working with Accenture to deploy the SAP® Integrated Business Planning solution, Merck has closed the gap between financial planning and sales and operations planning, bringing higher visibility across all supply chain activities of its medicines as well as tighter operational alignment.
Unleashing the Power of the IBP Process with SAP® Integrated Business Planning

After integrating planning processes with SAP Integrated Business Planning, Merck wanted to upgrade its forecasting tool for its medicines with a more robust and adaptable solution that covered supply chain needs as well as controlling and commercial processes.

Before: Challenges and Opportunities

• Redesign forecast modeling to comply with the specifics of Merck’s integrated business planning (IBP) needs
• Gather different types of forecasts spread across various systems and many users on one platform
• Attain the flexibility to adapt quickly to new requirements linked to finance and commercial processes
• Share the same information in real time between supply chain, controlling, and commercial production across a large user base
• Report at various levels and simultaneously capture forecasts

Why SAP and Accenture

• Excellent coverage of all requirements, thanks to new technology and software as a service
• Solid, user-friendly user interface for demand planning that integrates various data sources in real time, enabling fast, widespread adoption
• Ease of implementation, thanks to Accenture’s expertise and implementation support
• Ability to include and influence Merck in the early development stages of new functionalities
• Ease of connection with other systems, thanks to the SAP Cloud Platform Integration service

After: Value-Driven Results

• One common forecasting platform for supply chain, controlling, and commercial operations, enabling IBP
• One set of fully transparent numbers by volume and currency that are connected with the finance system
• Real-time calculation and reporting, facilitating operational usage and saving time
• Fewer spreadsheets, thanks to the ability to manage scenarios inside the tool
• Deeper pipeline visibility

“SAP Integrated Business Planning has become the key solution in the IBP process for our medicines. It is the place that has the numbers everyone needs.”

Jean-Luc Hospital, Director CoE Demand Management and IBP, Merck KGaA

Merck KGaA
Darmstadt, Germany
www.merckgroup.com

Industries
Healthcare and life sciences

Products and Services
Performance materials

Business Sectors
Healthcare, life science, and performance materials

Employees
>50,000, including
20,000 for the healthcare business sector

Revenue
€15.3 billion, including
€6.9 billion for the healthcare business sector in 2017

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750 users
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95%
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