

When suppliers originate the competitive idea: Gerresheimer Pisa towards supply chain integration through MaNeM

GERRESHEIMER

The leading company manufacturing borosilicate glass for the pharmaceutical and cosmetic sectors adopted Joinet on-demand solution to interact with their interlocutors in the production chain and their final customers, thus optimizing information flows, management procedures and aligning the qualitative standards.

Michele Schinella, Sales Director, Gerresheimer Pisa

Gerresheimer Pisa belongs to the Gerresheimer German group. In 2005 the group turnover was of 560 million Euros. The group is a world leader in the production of glass pack for the pharmaceutical and cosmetic sector; it employs over 5,000 people and is internationally present in the USA, Mexico and Europe, with 17 companies as a whole. Five of them manufacture vials and bottles from tubes for the pharmaceutical and cosmetic sectors, while the remaining ones are focused on mold-generated bottles.

In 2004 the Gerresheimer group was taken over by Black Stone, an American investment fund.

Gerresheimer Pisa, with head office in Pisa, has 126 employers. In 2005 its turnover was of almost 30 million Euros. The company manufactures borosilicate glass tube (for glass cruets, syringes etc.) The reference market is a highly specific niche within the 'glass' sector. As a matter of fact, there are only two big competitors worldwide, one in Europe and one in Japan.

At present the European market is undepressed, while a sizeable development is envisaged in the Far East area, particularly in India and China, where the company has been present for 3 years already. The 95% of the Italian company production is covered by the pharmaceutical sector. In the head office in Pisa are three furnaces and seven production lines, where glass tubes with diameter from 6,85 mm. are produced.

SERVICE QUALITY AS COMPETITIVE LEVER

The reference supply chain for Gerresheimer Pisa involves the producers of phials and bottles and, as the last step, the pharmaceutical companies. Michele Schinella, Sales Director of Gerresheimer Pisa, starts by saying: *"an important cost for the whole chain is that of stockholding time. Considering the whole supply chain, it amounts to approximately 225 days"*. These periods, generating evident management costs, are basically caused by inadequate exchange of information among actors of the same production chain. With such a background, the company decided to start a process of data processing integration to be promoted towards the reference chain. Mr. Schinella explains: *"we wanted to find a tool allowing to generate wide information transparency among the main characters of our business"*.

The need to improve the service level along the chain comes from the product maturation. *"We do not expect great technological developments in borosilicate glass manufacturing. Competition thus totally lays in the quality of the service offered"* the company Sales Director tells.

The firm chose to intervene strategically by trying to accelerate and ease not only the relationship towards the final customers, but by acting on the whole chain, thus generating benefits to the pharmaceutical companies, the last step in the production chain.

WHY MANEM

The company thus opted to choose web-based information tools, which easily and immediately allowed to support orders' and confirmations' mutual exchange. Mr. Schinella says: *"after considering various solutions, we realized that MaNeM, Joinet on-demand application program, could be the right option for us"*. The new and

SOLUTION OVERVIEW

COMPANY:

- Gerresheimer Pisa

JOINET SOLUTION:

- MaNeM

ADVANTAGES:

- Reducing inventory on the whole supply chain
- Integration with heterogeneous Information Systems
- Tracking in information work flow on Customer orders
- Improvement on Customer's service level
- Shared information flow on the whole supply chain

interesting peculiarity in Gerresheimer approach is that the company immediately understood MaNeM potential, although its role in the production chain is that of a supplier, while Joinet software is typically adopted by main contractors to spread orders to their supply chain.

"The fact that we suggested our clients to share the project development with MaNeM in our opinion shows our will and initiative". Mr. Schinella underlines.

The reasons why Gerresheimer Pisa chose Joinet solution are both technological and functional. With regard to architecture, the companies needing to exchange information were characterized by different information systems. The benefit coming from MaNeM adoption would be to overcome this difficulty, since the web-based solution by Joinet can be easily interfaced with the main management platforms, thus favoring the exchange of information even among heterogeneous systems.



In addition, MaNeM functional richness was favorably considered. As a matter of fact, this application program not only manages orders in real time, but also provides strategic functions, such as the management of forecast and all transport and book-keeping documents.

GLI STEP DEL PROGETTO

The pilot project in Gerresheimer Pisa was started by creating a three-actor team made up of Gerresheimer, Joinet and a direct customer. More regular a flow in the orders' management and greater transparency in information workflow were immediately sought as primary objectives. This would have allowed Gerresheimer to optimize its supply process and the customers to take advantage from important benefits, such as the possibility to monitor the whole order path (for example the date and the occurred order confirmation, the occurred transfer etc.).

"During the first step we chose to implement only the functions related to the order exchange and the forwarding of book-keeping documents on consignment. Afterwards we will also introduce the other MaNeM components, like the sharing of forecast and of qualitative documents. Finally, the third passage will be to connect this system to the information systems of the final customer, the pharmaceutical industries. This step will only involve our key customers", Mr. Schinella explains.

ADVANTAGES

In a short time, the project will be extended to 10 firms dealing with borosilicate glass transforming and covering the 80% of Gerresheimer Pisa business. At the end of the project, the company envisages to connect steadily about 70% of customers. *"When the new service will be offered, MaNeM easy implementation and its full integration with the different management systems will make it possible to clearly show this is an opportunity to increase the competitive capacity of the whole production chain. In this context, MaNeM for Gerresheimer is also a means to customize clients".*

By introducing Joinet platform, the company estimates to considerably reduce inventory on the whole supply chain.

Mr. Schinella concludes by saying: *"summarizing the advantages the Joinet software will bring to the company, we can certainly state that we will make use of more reliable orders' management and more rapid response capacity. In addition, we will benefit from a reduced amount of paper and, consequently, we will significantly reduce the margins of error. Finally, we will dispose of the ideal bases of knowledge to assess service quality with regard to delivery time and will therefore punctually monitor the firm performances".*

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