



# Creating **Collaboration** through **Connection**



Science For A Better Life

L'efficienza della gestione dei processi sanitari

Transportation Management System International Pilot

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*Milano, 2017 November the 8<sup>th</sup>*

# Our Mission

Science For A Better Life





**115,680**  
Employees\*



**€46.8 billion\*\***  
Full year sales



**301**  
Subsidiaries



**€4.7 billion\*\*\***  
R&D expenses

As of December 31, 2016 including Covestro / Employees: as of June 30, 2017 (including Covestro)

\* excluding Covestro: 99,720 employees (in full-time equivalents)

\*\* excluding Covestro: €34.9 billion \*\*\* excluding Covestro: €4.4 billion

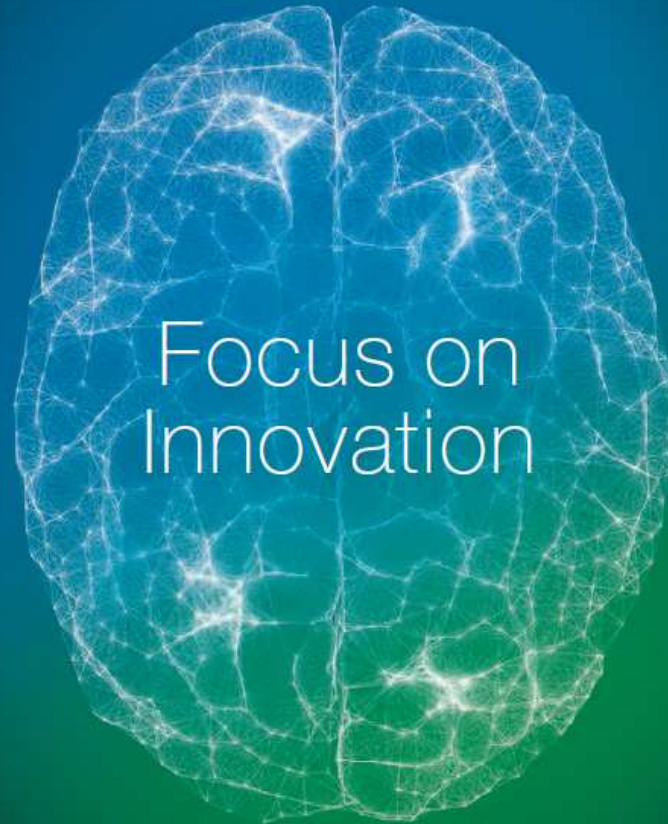
Customer Focus

Experimentation

Focus on  
Innovation

Trust

Collaboration





Welcome



# Bella Italia

*What will you find?*

# Make or buy framework for logistics decisions



Is logistics a critical success factor in the **market**?

Outsource functions, maintain **control of processes**



Perform **in-house**



**Outsource**



**Spin off**



BCI Global, 2017

Is logistics a **core competency** in the business?

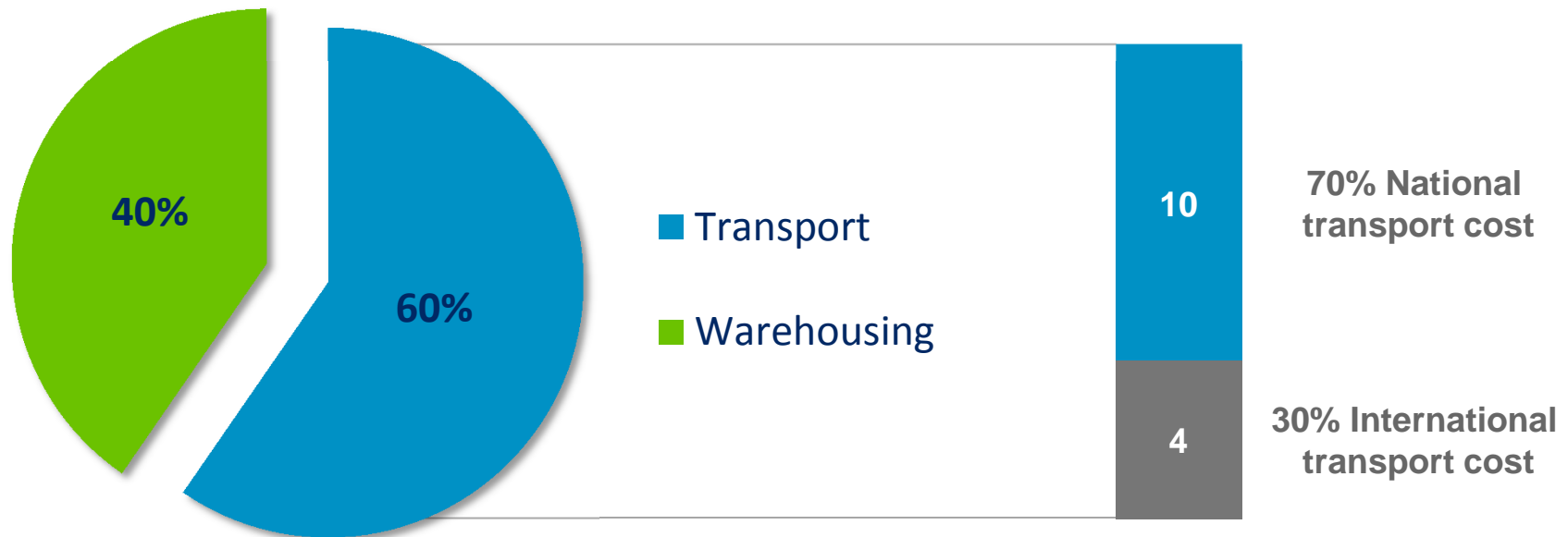
# BAYER – Italian affiliate

## Logistics spent



Warehousing cost: 10 Mio €

Transport cost: 14 Mio €



# BAYER – Italian affiliate

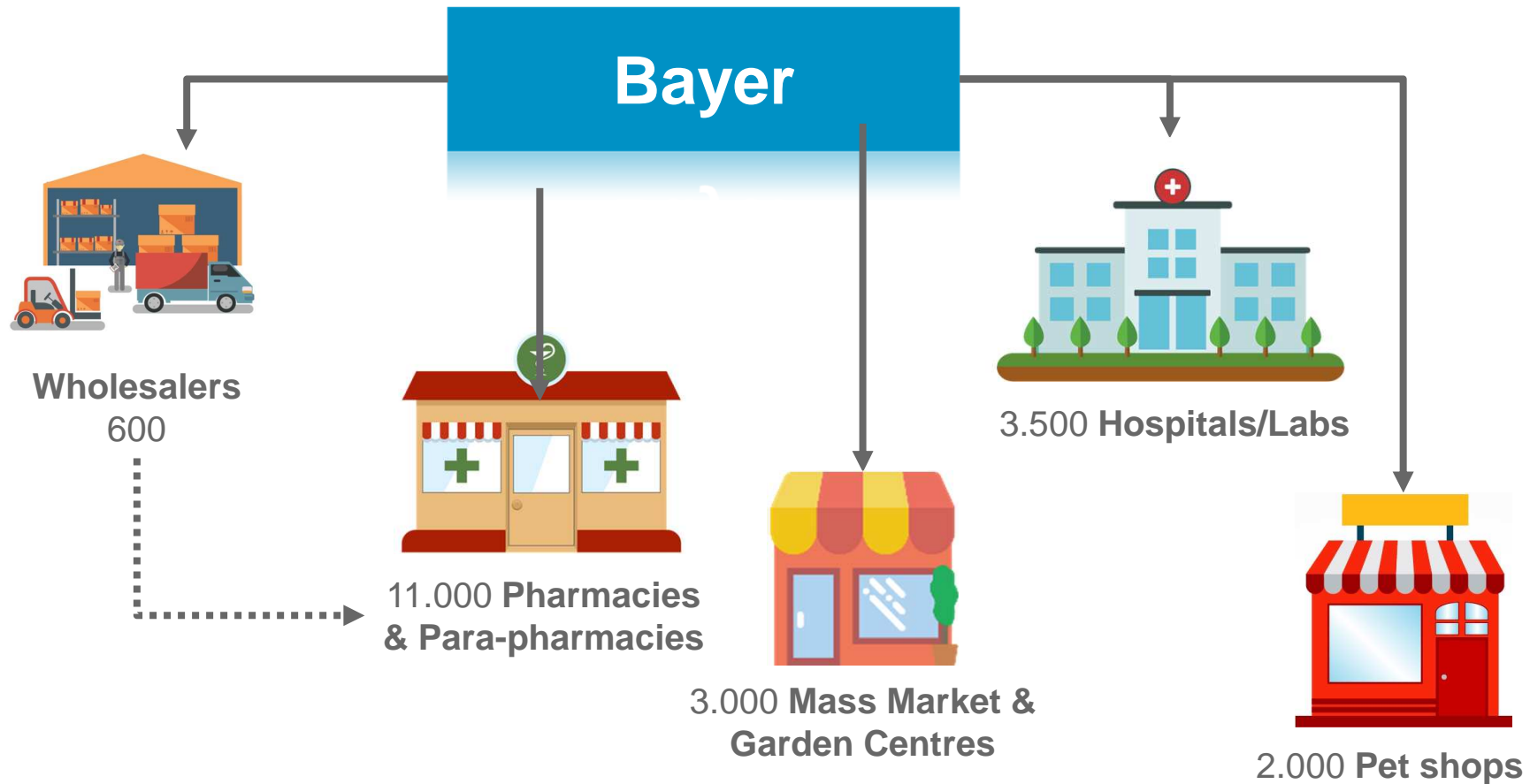
## Locations





# BAYER – Italian affiliate

## Customer segmentation (points of delivery)



**Total customers : ≈ 20.000**

# BAYER – Italian affiliate

## Transportation Management Project overview



### TMS Digitalization

#### PHASE I

Focus on **processes**

- # Pre-invoicing
- # Contract Management



Integration with Legacy System

#### PHASE II

Focus on **collaboration**

- # Customers
- # Clients & Stakeholders
- # Business partners



# Phase I

## Processes: Functional & Technical Requirements



### PRE-INVOCING

100% automation rate  
monthly

- Transport cost calculation and manual intervention requested only for exceptions
- 

Wide range of cost  
drivers

- Packaging unit (pallet, tote, parcel, etc.)
  - Weight and volume
  - Distance (kilometer)
  - Delivery, Full Track Load, etc.
- 

### CONTRACTING

Contractual complexity  
power

- Ability to cope with a deep and wide contractual varieties

Manage different ADR surcharge, Cash On Delivery, telephone call, tail gate, portorage, warehousing, isles, attempts, etc.

*An example: ... € per delivery < 100 kg (weight ranges 10 kg - 30 kg - 50 kg - 100 kg), ... € per quintal >100 kg (weight ranges 1.000 kg - 3.000 kg - 5.000 kg - 10.000 kg - 23.000 kg - 28.000 kg) and collateral costs related to delivery to ... (+...%), GDO +...%, warehousing over ... days ... € per quintal, 2° attempt = ... % of basic tariff, portorage = ... % tariff, tail gate ... €*



# Integration

## Between Phase I and II



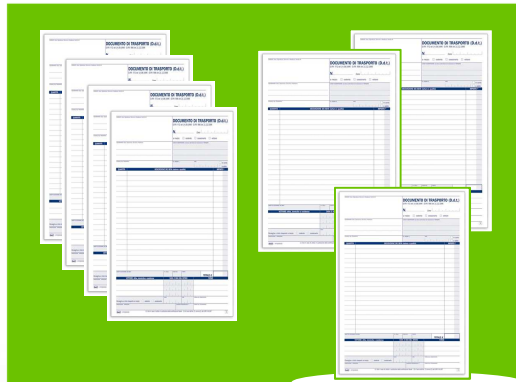
# INTEGRATED Transportation Management System (beyond the “interface” concept)



Wide range of IT languages (IDoc, XI, XML, WEB SERVICES, Java, file, etc.)

Wide range of data sources (Fax, EDI, Web EDI, Web, SMS, GPRS, GPS, @mail, etc.)

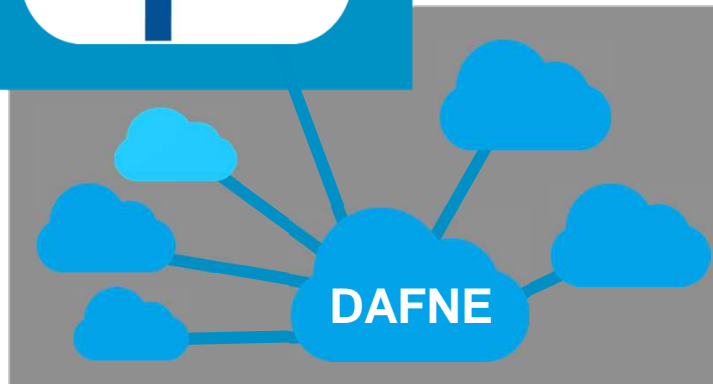
# Phase II Collaboration



In 2010 the main collaborative processes were based on exchanging hard copies that must be manually input into a system



Bayer decided to implement a cloud platform to achieve an effective collaboration in order to track and trace the Proof of Deliveries in real-time



BAYER's project was the leverage to create a new collaborative supply chain project, targeted to the pharmaceutical world



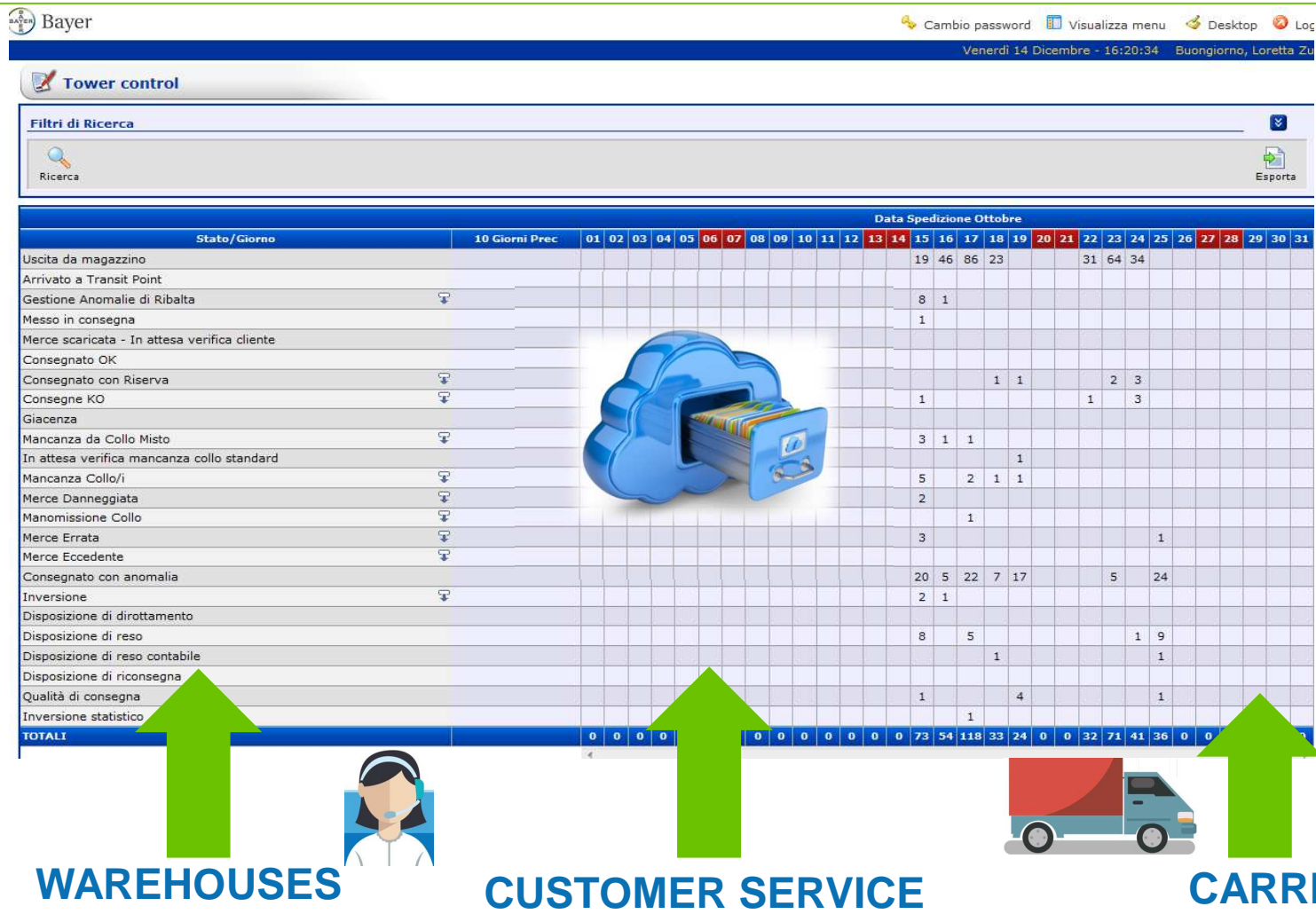
# Phase II

## Clouding



# Phase II

## Logistics Dashboard



# Lesson learned

## Visions happen



- **100% automation rate** for transport cost calculation and pre-invoicing
- **Contractual complexity** empowerment (wide range of cost drivers)
- **Extra-costs** managed in the regular pre-invoicing workflow



### NetMover

- **Multicompany and multichannel** to follows physical and information flow over the boundaries
- **Identity Access Management**
- **Logistics collaboration platform** based on shared information
- **Distribution Planning:** load/unload booking  
Ø waiting time



- **Simple web-based management**, plug & play without interface (SMS, @mail, GPRS, etc.)
- **Track & Trace**, complete visibility thanks to all supply chain players integration, enabling attachments management
- **Automatic exception management**, real time problems detection & delivery

- **KPI dashboard** powered by historical database (business intelligence)
- **Simulator** module for distribution assets reengineering



# Questions







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# Thank You!

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