

Dutch Pharmaceutical Maker Improves Production Planning, Increases Flexibility with QAD Enterprise Applications

The Company

Katwijk Farma produces various pharmaceuticals, mainly for the Dutch market, which are sold at pharmacies and drugstores. The company produces approximately 800-million tablets annually. The product portfolio ranges from generic pharmaceuticals with ended patents, to drugs without prescriptions, to special pharmaceuticals such as anti-epileptics. While most Katwijk Farma products find their way to Dutch customers, a small portion are exported to Germany and Belgium. Katwijk Farma employs 150 people and was acquired by the Canadian Pharmaceutical company, Apotex, in the spring of 2004.

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Eric de Lange, Logistics Manager, Katwijk Farma

Apotex Inc., founded in 1974, is the largest Canadian-owned pharmaceutical company. The company has grown from a two employee, 5,000 square-foot operation, to employ over 5,000 people in research, development, manufacturing and distribution in facilities world-wide. Of the total employee base, over 1,100 make up the scientific staff, 90 of which hold PhDs.

The Challenge

Katwijk Farma used an in-house developed system for production and financial management. The planning was based on a combination of five stand-alone applications; therefore, the company was regularly confronted with the constraints of their non-integrated solutions. Explained by Manager Ben Haneveld, “The proprietary systems had several disadvantages. The original planning

cycle was far too long. Therefore, we could not anticipate adequately to dynamic market conditions. Because of the lack of integration, the output wasn’t fully reliable. We depended heavily on the internal expertise and knowledge of our own developed systems and the reliability was negative influenced by many patches. This was enough reason to tackle these problems.”

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Eric de Lange, Logistics Manager, Katwijk Farma

The Solution

After an orientation on integrated solutions, Katwijk Farma concluded that QAD Enterprise Applications seamlessly fit the size and processes of the company. “The validation module of Enterprise Applications was a crucial element in the selection process,” says Eric de Lange, Logistics Manager at Katwijk Farma. “The production of pharmaceuticals is subject to different forms of legislation. Validation is crucial in our business processes. The module in Enterprise Applications matches perfectly.” Prior to completing the implementation, Katwijk Farma decided on a one-on-one transition to QAD Enterprise Applications (version MFG/PRO eB2), the most powerful release of QAD Enterprise Applications to date, to minimize customization. “We wanted the new system up and running as soon as possible,” says Haneveld. “Therefore, we maintained the existing processes and used them as the fundament for QAD Enterprise Applications. The implementation was completed without any complications and now offers the company multiple benefits.”

The Benefits

According to Eric de Lange, “The main benefit is an improved process for production planning. Our plan horizon was shortened by eleven weeks, from thirteen weeks down to just two. Before the implementation, an adjustment to the production process lagged for quite some time; this is solved now. We can stay on top of things and still be very flexible.” Katwijk Farma implemented the main QAD Enterprise Applications modules: purchasing, sales, production, distribution and finance. As De Lange and Haneveld point out, Katwijk Farma was the first Dutch company to implement QAD Enterprise Applications. Approximately 30 employees now use the new system on a regular basis.

Emphasizing the importance of flexibility for the pharmaceutical industry, De Lange continues, “Pharmaceuticals have a limited consumption date and our customers want to be able to sell our products for as long as possible. We also benefit from a minimum destruction of stock. With QAD Enterprise Applications, this is easy and at the same time we improved the reliability of our deliveries. Since the implementation the amount of backorders has diminished from six percent to one percent.”

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Ben Haneveld says about their QAD solution, “The new solution is very stable and the user friendly interface made acceptance by employees a non-issue.” De Lange and Haneveld expect further growth in the market for generic medicines. QAD Enterprise Applications is expected to support this growth. “At this moment we are focused on getting all employees to use the new solution in the most optimal way,” says De Lange.

Highlights

Company

Company Name	Katwijk Farma
Industry	Pharmacy
Products	Pharmaceuticals

Solution

QAD Solutions	QAD Enterprise Applications (version MFG/PRO eB2)
Sites	Leiden, the Netherlands
Platform	Sun Microsystems

Results

- Higher quality of information
- Efficient production management
- Improved reliability of deliveries
- Much shorter plan cycles

The Future

As Katwijk Farma now has a solid base in place for its core functions of purchasing, sales, production, distribution and finance, the company is ready to study future developments. The next step is to profit from possible enhancements, including a Business Intelligence solution. Haneveld concludes, “QAD Enterprise Applications has helped us especially in realizing more discipline and insight into production. It has forced us to optimize and professionalize production processes.”