

# MERCK

## EMBRACE – THE ACTIVE ENABLING INGREDIENT IN MERCK SOUTH AFRICA’S SUCCESS

*“Ours is a complex, challenging environment. We are a multi-national company.”*

*ACS-Embrace has had to evolve to meet our changing business requirements.”*

*“This has been and will continue to be a true Win-Win Partnership!”*

*ACS has been the enabling force allowing us to achieve our business objectives.”*

Paul Palm  
Director

Information Services Division  
Merck (Pty) Ltd South Africa

### The Company

Merck (Pty) Ltd South Africa is part of German-based global pharmaceutical manufacturer, Merck KGaA. The company prides itself on having had representatives in South Africa for more than 100 years in industrial chemicals and have been registered as an entity in their own right in pharmaceuticals, for more than 40 years.

Merck’s South African annual turnover is about R700m. It employs about 200 people at production facilities and takes care of sales, distribution and technical support of a broad range of pharmaceutical, consumer health care and chemical products.

### The Challenge

Merck implemented the ACS-Embrace Business Solution 19 years ago, when they had their own warehouse, imported pharmaceutical products and did simple local production. Their business model has completely changed and evolved since then. *“Ours is a complex, challenging environment. We are a multi-national company. ACS-Embrace has had to evolve to meet our changing business requirements.”* Paul Palm: Director-Information Services Division.

There were many acquisitions, all of which needed to be integrated into Merck’s business solution, such as the purchase of a factory in Wadeville. Manufacturing chemicals is very different to manufacturing cars and other equipment. What goes into the mix is vastly different from what comes out and chemicals have yield variances. The Active Pharmaceutical Ingredients (API) have a shelf life, as do the finished products made from these ingredients.

### The Solution

The enhanced monitoring of the raw material use-by dates and batch quality control, in Embrace, ensures that they are not left with expired stock and that there is no wastage. ACS implemented and integrated a sophisticated MRP solution to meet these complex requirements. Full visibility, inventory control, forecasting and demand management within Embrace are critical to the success of their business. The factory was recently sold to a Pharmaceutical Manufacturing Company, who are also running on Embrace, and they are doing “Toll Manufacturing” on behalf of Merck.

### The Benefits

Merck SA operates in three different markets and Embrace caters for all these business models. They sell a wide range of chemicals, from routine to specialty, used in mining and cosmetics, all of which are classified, controlled and tracked within Embrace. These include hazardous chemicals and “fridge” stock, which also need to be stored separately. Restrictions are in place within Embrace to prevent incompatible chemicals from being stored, packed or sold together. They sell in multiple currencies, have many different pricing models and have full control and traceability of their products within Embrace.



***“To keep abreast of our changing business and global reporting requirements, ACS-Embrace has had to remain an agile, world class solution.”***

***“ACS has been the enabling force allowing us to achieve our business objectives.”***

***“We have enjoyed a significant return on our investment in all areas of our business. We would not be where we are today without ACS-Embrace!”***

**Paul Palm  
Director  
Information Services Division  
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### **Third Party Interfaces Facilitates Business Success**

Merck has outsourced some operational aspects and works with numerous third parties. ***“To keep abreast of our changing business and global reporting requirements, ACS-Embrace has had to remain an agile, world class solution. They have written many interfaces for a range of third parties, to facilitate our business and enable us to meet our objectives.”***, added Paul Palm.

### **Boost Sales and Profitability with Web Trading**

Merck has volunteered to be a BETA site for many of the Embrace Update Releases and have stayed at the leading edge of the curve. They were early adopters of EDI and Web Trading, have worked as a team with the Embrace Developers, testing all the modules, before deploying successfully. They are currently on the latest release of Embrace and are busy implementing numerous new modules, including Purchasing Workflow to control procurement, the enhanced Fixed Assets Management module, the Service module and the new balancing routines in the General Ledger.

### **The Enabling Force in Achieving Business Objectives**

***“This has been and will continue to be a true Win-Win Partnership. We have a highly technical environment and run a lean IT Department. ACS has been the enabling force allowing us to achieve our business objectives.”***, continued Paul Palm.

Merck e-Commerce “MeComm” interfaces to Embrace, to populate the website and interact with the web, importing transactions into Embrace. Customers find this convenient e-Commerce facility very useful.

### **Comprehensive, Real Time Reporting enables Informed, Strategic, Business Decisions**

The Cognos Suite of Business Intelligence Tools has been tightly integrated into Embrace, enabling enhanced reporting. Embrace imports and exports data to and from their global Head Office systems. ***“We have accurate, reliable financial reports, with detailed transactional data. We believe that Embrace has paid for itself many times over. We have enjoyed a significant return on our investment in all areas of our business. We would not be where we are today without ACS-Embrace!”*** concludes the Director of Merck’s Information Services Division, Paul Palm.



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