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— Chye Heng Johnny Teo, Regional Category Manager (Logistics), Zuellig Pharma



With an increasingly overwhelming delivery volume, Zuellig Pharma needed to control its last-mile delivery costs and increase its overall operational efficiency.

Zuellig Pharma and Zyllem

A success story of partnership and innovation

About Zuellig Pharma

Zuellig Pharma is a leading healthcare services group with over 320,000 customers across 13 countries in Asia. Its customer base includes hospitals, clinics, pharmacies and other healthcare establishments. Zuellig Pharma provides distribution services, clinical trials, data analytics, payer & patient solutions and other commercial services to the healthcare industry.

The Journey to Digitizing its Last-Mile Delivery

As an enterprise whose core business lies in distribution, Zuellig Pharma was quick to realize that digitizing its last-mile delivery is key to addressing some of its biggest challenges:

- **High delivery volume:** Zuellig' customer base generates an average of 50,000 delivery drops per day. In Singapore alone where the market is relatively small compared to its counterparts, it generates thousands of delivery orders per day. Managing and monitoring these deliveries in real-time was impossible.
- **Cost management:** Last-mile delivery accounts for a large part of Zuellig's total distribution cost. Being able to manage and control its last-mile logistics costs would make a huge impact to the business.
- **Optimizing processes:** Increasing efficiency and accuracy throughout its processes simply demanded new technology to be put in place. It was clear to Zuellig that manual processes had to be eliminated.

At-A-Glance

Industry

Healthcare Distribution

Country of operation

Singapore and Malaysia

Customer since

2016

Problem

Manage all deliveries across segments and operators, lower last-mile delivery costs, and increase operational efficiency.

Solution

Zyllem Enterprise

Most used features

- * Enterprise Portal (Control tower)
- * Zyllem mobile app
- * Dispatcher Module
- * Address validation
- * Real-time reports
- * SFTP integration

Results

- * Transparency of all deliveries
- * Real-time tracking and monitoring
- * Easy availability of information
- * Less customer service calls
- * Address database cleansing
- * Faster sales recognition

In 2015, Zuellig Pharma started its journey to digitizing its operations by deploying new software across its countries. But this introduced a new problem: since each country had its own processes, each had to use a different platform. Hence, there was no central platform to manage its entire distribution network.

“There was no common platform and no visibility across the entire distribution network. In 2016, Zuellig Pharma came across Zyllem, who took the challenge to bridge this gap.” – Chye Heng Johnny Teo, Regional Category Manager (Logistics), Zuellig Pharma

Zuellig Pharma and Zyllem’s engagement blossomed into a fruitful partnership that helped shape an enterprise logistics software, which is now called Zyllem Enterprise. Zyllem Enterprise was first deployed in Zuellig Pharma Singapore in 2016. The following year, Zuellig rolled it out to one of its distribution hubs in Malaysia to manage its long-haul operations. After a successful roll-out, implementation plans started for all eight warehouses across the country.

How Zyllem Helps

In Singapore, Zuellig Pharma uses the combined services of its own assets and 3PL partners. In Malaysia, it uses the services of a 3PL partner. Through Zyllem Enterprise, Zuellig is able to manage each country with full visibility on all its deliveries – both by its own assets and 3PL partners.

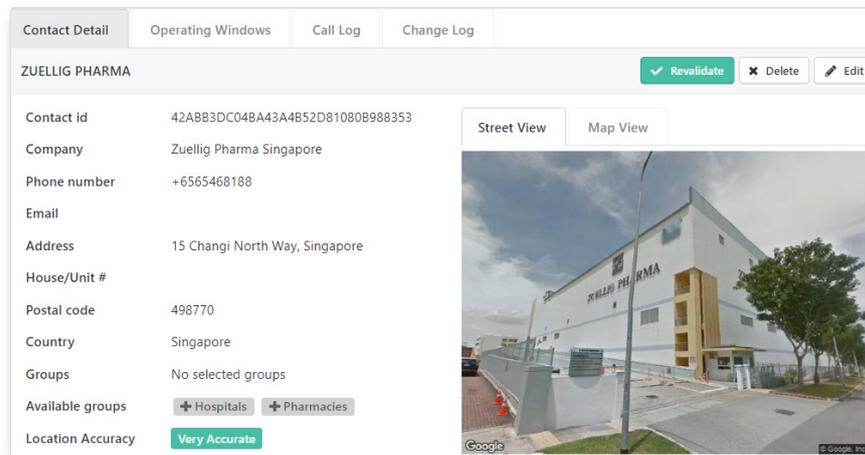
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The following benefits of Zyllem Enterprise have transformed Zuellig Pharma’s Singapore operations:

- **The control tower view:** Real-time tracking of deliveries and real-time monitoring of drivers across its own assets and 3PL partner. The operations team can now see: where the drivers are at any given time, where the next delivery is, and any potential delays, all in one portal.
- **Integration with ERP system:** By integrating with Zuellig’s ERP system (SAP), orders are seamlessly fed from SAP to Zyllem Enterprise. In the same manner, delivery statuses are fed from Zyllem to SAP in real-time. No data entry required and no room for human error within the process.
- **Address database cleansing:** Throughout its 90 years, maintaining accurate address records remained a challenge to Zuellig. Drivers would struggle to find certain addresses, even with existing technology like Google Maps. This is especially difficult in developing countries where postal codes don't precisely determine the location of an address. As a result, Zuellig was highly dependent on a few logistics partners that had the local knowledge on the exact locations of their customers. Zuellig presented this problem to Zyllem and hence, the inception of a new feature called **Address Validation**.

How Address Validation Works

Address Validation is part of Zyllem’s contact management feature. Its helps you identify the exact locations of the contacts in your Address Book.



Here’s an example of how it works:

Every time a driver visits a customer and performs a delivery task (e.g., driver taps the “Deliver” button using the Zyllem app), Zyllem captures his GPS location and stores it in the Address Book. This mechanism kicks in every time a user performs an action to a contact in the Address Book. It also works in a way that only accurate GPS data are considered. When sufficient data has been collected, Zyllem will recommend you to validate the address. Validation can be done by a simple drag-and-drop on the enterprise portal.

Through this feature, drivers can easily find the exact location of an address once it is validated. This has **minimized Zuellig Pharma's dependency on a limited number of logistics partners** that have the local knowledge on where those locations are. It also helps them generate **accurate reports** and **minimize errors** and delays on the ground

- **Driver compliance reports:** Generating daily Driver Compliance Reports is a great way for Zuellig to assess driver performance in real-time. This report allows you to define SLAs for time and location compliance.

For example, if you set a *time compliance* of +/- 15 minutes and a *location compliance* of 500 meters, Zyllem will assess the driver's performance based on these values. Did he deliver the items within the 15-min grace period? Was he within the 500-meter geofence when he tapped "Deliver" on the app?

Zuellig Pharma’s monthly driver compliance improved from **20% to 95%** after using Zyllem Enterprise.

- **Faster sales recognition:** Through Zyllem’s integration with SAP, not only does Zuellig see the delivery completion percentage on the dashboard; all completed deliveries are automatically fed into SAP as they happen. This allows them to bill the customers more quickly and accurately.

Aside from shortening its order-to-cash cycle from **3 to 0 days**, this also saves Zuellig Pharma **3-5 hours per day** on data entry and eradicates any human error that may come along with it.

The Journey Continues...

Implementation plans are in the works to roll out Zyllem to Zuellig Pharma's Philippines and Vietnam operations. Meanwhile, Zyllem continues to evolve its platform while catering to Zuellig Pharma's growing needs.

Zyllem and Zuellig Pharma's partnership is a continuous journey to innovation. Their unique collaborative relationship strengthens their business and empowers them to grow and evolve together.