



Order to cash

Optimising business operations with GS1 EDI business processes

In today's healthcare market, competitive pressure, regulatory requirements and new ways of working are demanding that manufacturers and retailers collaborate more. In 2013, Coopidrogas started implementing GS1 EDI transactions in order to optimise its members' business operations by lowering costs, increasing speed and improving accuracy and business efficiency. As part of its new process, Coopidrogas has adopted GS1 EDI-based documents such as purchase orders, shipping notices and receiving advices, and uses the Global Data Synchronisation Network™ (GDSN®) to update its master database.

By Nazly Chacon



Background

Cooperativa Nacional De Droguistas Detallistas (Coopidrogas) is a non-profit association dedicated to the promotion of business improvements for independent pharmacies. It was created 46 years ago by a small group of independent pharmacy owners who, based on their small size and low-volume purchases, faced difficult negotiations with pharmaceutical suppliers, thus impacting their profit margins. Today, Coopidrogas has approximately 3,500 independent pharmacy owner members with 6,500 drugstores, representing approximately 41 percent market share in Colombia.

Stakeholders involved in the solution included pharmaceutical suppliers, Coopidrogas members of independent pharmacy owners and GS1 Colombia.

The need for complete, accurate data

Coopidrogas has more than 20,000 products, 367 suppliers and six distribution centres that serve 614 locations in major cities, townships and remote villages.

To maintain a lean and efficient supply chain, Coopidrogas faced three main challenges:

- Keep product information up-to-date in order to facilitate the flow of information between the independent pharmacies.
- Ensure the quality of data in order to support the implementation of technology and GS1 EPC-enabled RFID (EPC/RFID).
- Decrease the time dedicated to product coding by using EDI transactions for lower costs and faster time-to-market intervals.

Improving information flow across the value chain

The project developed by Coopidrogas focused on the implementation of GS1 standards and business-to-business (B2B) commerce based on GS1 EDI standards, to include product data synchronisation as well as electronic transactions like purchase orders, shipping notices and receiving advices. Designed to reduce time to market and guarantee data quality, the new solution aims to improve the information flow across the Coopidrogas value chain.

The solution was based on the following goals:

- Adopt GS1 standards using the GS1 Global Trade Item Number® (GTIN®), Global Location Number (GLN) and GS1 EDI technical specifications.
- Align commercial and logistics processes based on information received from B2B commerce with suppliers.
- Develop partnerships with companies that offer B2B-commerce services for an efficient way to engage suppliers.
- Connect to LOGYCA / SYNC, the GDSN-certified data pool in Colombia.
- Collaborate with the pharmaceutical industry through GS1 Colombia with the aim of defining basic criteria to provide accurate information and training to different stakeholders.

Accuracy of purchase orders has increased from 92.9 to 96.4 percent in the first four months after the GS1 EDI implementation.

Accurate and complete data for all stakeholders

Stakeholders involved in the solution included pharmaceutical suppliers, Coopidrogas members of independent pharmacy owners and GS1 Colombia.

- In the pharmaceutical industry, Coopidrogas has 367 suppliers (laboratories). Participation and commitment from these suppliers is critical since they are the main producers of information and have the required knowledge about pharmaceutical products to ensure they are marketed correctly.
- The estimated 6,500 drugstores are benefiting, thanks to improvements based on the implementation of best practices in logistics that enabled them to receive products on time, reduce out-of-stock situations and improve profit margins.
- GS1 Colombia provided a neutral meeting place for the development of the collaborative initiatives based on global standards and the introduction of best practices in logistics. Coopidrogas is part of the GS1 Colombia Healthcare Group that brings together the main players in the country's healthcare sector in order to make the healthcare value chain more efficient, flexible and competitive in areas such as data quality and the traceability of medicines. Pharmacies now collaborate with suppliers to monitor stock management indicators such as out-of-stock and service levels.

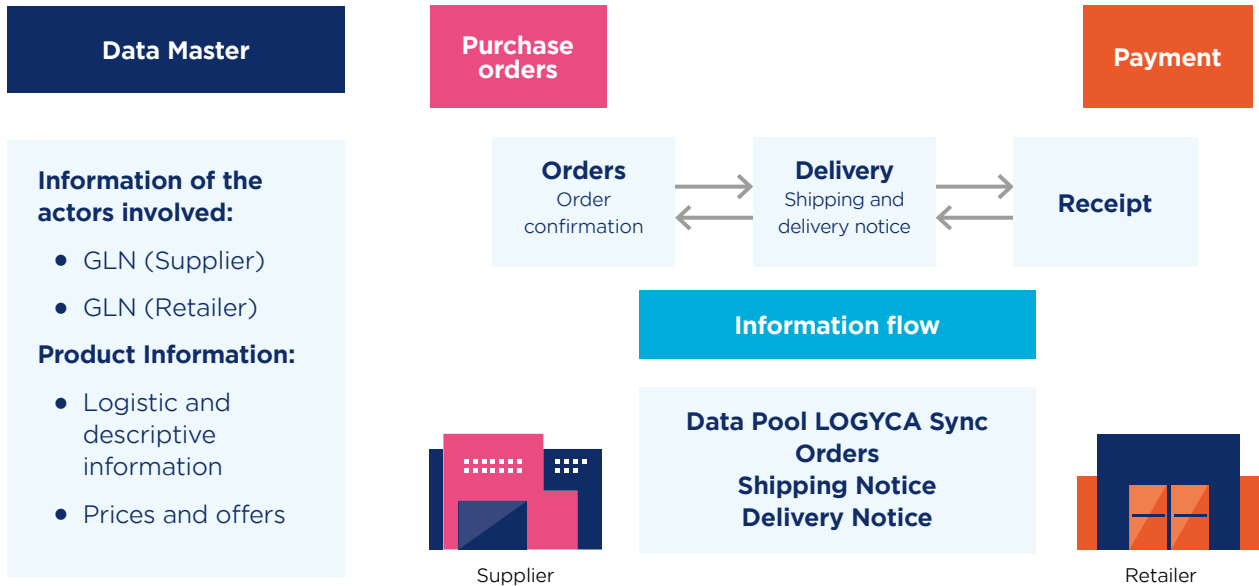
To date, achievements include:

- Technical information about the product is accurate and complete. More than 90 percent of Coopidrogas' products are synchronised through the LOGYCA / SYNC data pool.
- There is perfect alignment of the master data between suppliers and retailers. During 2015, 70 percent of the products were synchronised using different GS1 EDI messages.

GS1 EDI	% OF SUPPLIER IN OPERATION
Price Catalogue (PRICAT)	44%
Purchase Order (ORDERS)	88%
Despatch Advice (DESADV)	100%

- Accuracy of purchase orders has increased from 92.9 to 96.4 percent in the first four months after the GS1 EDI implementation.

Information flow



Traceability using EPC/RFID technology as next step

Using EDI-based transactions is an efficient way to optimise business relationships; however, there is an inherent dependence on the accuracy of information shared, making it imperative to support the process via collaborative work with suppliers based on GS1 standards.

For Coopidrogas, the EDI implementation is a starting point to ensure the traceability of medicines through the value chain. Since 2014, Coopidrogas has been implementing traceability processes based on EPC/RFID technology for private brands. Currently, this project is in the stabilisation phase with the next step is to expand the use of this technology to other products marketed in Coopidrogas.

About the Author



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About Coopidrogas

Cooperativa Nacional De Droguistas Detallistas or Coopidrogas is a non-profit association dedicated to the promotion of business improvements for independent pharmacies. Created 46 years ago by a small group of independent pharmacy owners, Coopidrogas today has an estimated 3,500 independent pharmacy owner members with 6,500 drugstores, representing approximately 41 percent market share in Colombia.

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