



**Dis-Chem**  
PHARMACIES

## Dis-Chem Pharmacies: Gaining Insight into Expanding Retail Operations with the SAP HANA® Platform

In just five years, Dis-Chem Pharmacies (Pty) Limited more than doubled its number of stores and headcount. Yet, legacy systems were unable to deliver timely insight into its operations and customers needed to continue this growth. To enable **responsive analysis that supports faster, smarter decision making**, Dis-Chem deployed the SAP® Business Warehouse application powered by SAP HANA®.

# Executive overview

## Company

Dis-Chem Pharmacies (Pty) Limited

## Headquarters

Midrand, South Africa

## Industry

Retail

## Products and Services

Pharmacy, beauty, household products, as well as health clinic and salon services

## Employees

11,000

## Web Site

[www.dischem.co.za](http://www.dischem.co.za)

## Partner

UCS Solutions (Pty) Ltd.

[www.ucs.co.za](http://www.ucs.co.za)



## BUSINESS TRANSFORMATION

### The company's top objectives

- Gain new insight into business growth, especially operations and customers
- Deliver rapid, accurate business intelligence (BI)
- Support proactive decision making with intuitive reports and analytics

### The resolution

- Deployed the SAP® Business Warehouse application powered by SAP HANA® as an affordable decision-support platform
- Completed the implementation in just five months – on time and within budget
- Expanded its community of BI users tenfold, delivering new insight to business users

### The key benefits

- Holistic view of the business to make better decisions
- Rapid access to strategic information by business users
- Enhanced promotions management, increased inventory visibility, and reduced safety stock and out-of-stock goods

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“SAP HANA allows us to make decisions with the input we need. With intuitive access to all our data, we can react more quickly to changing customer, product, and supplier needs.”

Kim Sim, Group IT and Projects Executive, Dis-Chem (Pty) Limited

# 4%

Monthly savings realized by using the SAP HANA platform

# 80%

Less time needed to perform year-end close

# 100x

Faster performance for some queries

Executive overview

**Growing demand for business intelligence**

Rapid, on-time delivery of a BI platform

A remedy for analysis with trusted data and fast results

A future of business wellness



# Growing demand for business intelligence

Dis-Chem is a family-owned retail pharmacy company based in the Johannesburg area. With pharmacy, health, beauty, and household product lines as well as clinic and salon services, the diversified company leads the market in many categories.

However, its reporting and analytics capabilities were not keeping pace with this success. A legacy reporting tool was too slow and unresponsive to deliver rapid business insights. As a result, few people in its finance and sales organizations used the tool, and Dis-Chem lacked the fact-based decision support they needed.

To gain insight for improving operational efficiency, Dis-Chem deployed an SAP® Business All-in-One solution, the SAP Business Warehouse application powered by SAP HANA®, and the Ready to Retail template solution from UCS Solutions (Pty) Ltd.

After the implementation, the company experienced rapid growth. Between 2009 and late 2013, the company expanded from 37 stores to more than 80 stores. Dis-Chem even grew its workforce, from 4,500 employees to 11,000 employees. Managing an enterprise of this size required enhanced decisionmaking support.

“To keep pace with growth, we needed three strategic enhancements,” explains Kim Sim, group IT and projects executive for Dis-Chem. “We had to upgrade our base technology infrastructure. We also wanted to roll various data sources – about the business, our customers, and our loyalty program – into a single environment. And we needed responsive analytics that would deliver insights quickly.”

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“As the business began to grow and use of the IT solutions increased, we knew it was time to invest in more powerful and responsive BI technology.”

Kim Sim, Group IT and Projects Executive, Dis-Chem Pharmacies (Pty) Limited

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# Rapid, on-time delivery of a BI platform

After reviewing several offerings, Dis-Chem chose the SAP HANA® platform. "To support our rapid growth and invest in the future, we wanted a highperformance platform that is responsive to our needs," says Sim. Favorable pricing for a solution hosted by UCS made SAP HANA an affordable option.

The implementation team included several Dis-Chem employees as well as experts from UCS. Using agile project methodologies designed to meet the company's unique requirements, the team rapidly deployed the new platform, migrated operational data, and checked the performance of approximately 40 standard queries. Dis-Chem and UCS representatives conducted quality assurance testing to help ensure that the solution met users' needs. The implementation was completed within five months, on time and within budget.

After this effort, Dis-Chem deployed the SAP Extended Warehouse Management application to optimize its distribution center and supply chain operations. The UCS team also helped migrate



**10x**  
Increase in employees using BI solutions

Dis-Chem's customer loyalty data and clinic information from the legacy environments into SAP Business Warehouse.

Today, as many as 75 business analysts and operational managers from Dis-Chem use the solution to support various business intelligence (BI) requirements. Store managers, for example, review previous-day performance and check stock levels, while supply managers check margins and prices to help ensure products are priced profitably. Analysts assess customer demand and move stock to stores where demand exceeds supply.

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# A remedy for analysis with trusted data and fast results

Since its deployment, Dis-Chem is realizing significant business benefits. SAP HANA gives a holistic view of the business, allowing analysts to dig into the data.

The user community is growing, posing more queries, and requesting more reports. Plus, executives receive reports quickly and gain insights to take action.

"Before SAP HANA, our CEO took home a shopping basket of stock receipts each day to assess sales, stock, and margins," says Sim. "Now, he reviews a report each morning with receipts, sales, margins,

and product information. He loves getting better results in less time."

Although benefits are difficult to quantify, Sim says the new insight has improved promotions management, reduced out-of-stock goods, and increased overall market basket sizes. Increased inventory visibility is driving down safety-stock levels and has improved merchandising efficiency. Together, these changes are helping the company enhance customer service.

**4%**

Monthly savings by using SAP HANA

**100x**

Faster performance for some queries

**24x**

Decrease in time needed to build loyalty data models

**80%**

Reduction in time to perform year-end close

**5x**

Reduction in data volume through compression

**7x**

Increase in speed of batch-data loading



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## **A future of business wellness**



# A future of business wellness

Looking ahead, Dis-Chem intends to develop new uses for its BI solutions. The company plans to add more data, such as information from its dispensary operations, into the data warehouse. Dis-Chem is also implementing the SAP Customer Relationship Management (SAP CRM) application and considering additional tools, such as SAP Lumira® software, to make analytics more visually appealing.

Overall, the company is satisfied with the service provided by UCS and the SAP solutions. "This was one of the easiest projects I've ever been involved with," says Sim. "The UCS team made sure the project went smoothly from start to finish."

Business users trust the data and are pleased to have rapid access to key insights. "Our CEO says that choosing SAP was never a software decision; it was a strategic investment," says Sim. "There is no way our business could have grown as quickly as it did without an SAP solution in place. We have realized huge strategic value from our deployment of SAP solutions."



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