



MEDICAL ENGINEERING | SRM, SUPPLIER
REGISTRATION, CERTIFICATE MANAGEMENT,
360° VIEW, DOCUMENT APPROVAL EXCHANGE

Merck Optimizes Contractor Management



Customer Profile

Merck is a leading science and technology company in the fields of healthcare, life science and performance materials. More than 50,000 employees work to further develop technology that enriches and improves people's lives, ranging from biopharmaceutical treatments, treatment options for cancer and multiple sclerosis, trailblazing systems for scientific research and production, to liquid crystals for smart phones or LCD televisions. In 2015, Merck generated 12.85 billion euros in 66 countries. Founded in 1668, Merck is the oldest pharmaceutical and chemical company in the world.

"JAGGAER helps us to control the number of suppliers much more efficiently and to increase the quality of the supplier's performance"

Udo Vogler,
Head of Performance Manager, Merck

Challenge

8,000 technical suppliers need to be managed—and that's just for one location. Merck has been carefully honing its processes for years and they have reached an impressive level of maturity. However, the growing structures have led to different parallel IT systems, increasing the need for higher efficiency and a uniform system.

The challenges in contract management at Merck were reducing manual management and maintenance, increasing transparency and single point of truth for data, modernizing software for the complex environment, optimizing supplier relationships, and improving security status of suppliers.

Solution

Merck has compulsory standards for technical contractors. The Technical Contracting department, in coordination with Group Procurement, is responsible for making sure that these standards are met and adhered to. In addition to meeting specific criteria in order to be approved, suppliers are also evaluated and rated based on their performance. For technical projects in Darmstadt alone, Merck



has several thousand suppliers for which a large amount of information must be managed, processed and updated. Today, JAGGAER has taken over many of these tasks. For example, the system suggests suppliers for different commodities and all others are blocked.

User-Friendly Interface

JAGGAER makes it easy to enter, send, receive and find information. This benefits customers within the company, i.e. those who are requesting services, those working in contract management, procurement and plant security, and suppliers. New suppliers can easily apply to Merck online using a registration interface. The JAGGAER application then automatically checks for duplicates. This means that Merck no longer has to update information manually because each supplier is responsible for entering and managing their own data within the system.

If important certificates are missing, the supplier can be blocked from new commissions until the required certificates are provided. Merck also hopes that the simplicity of the intuitive system will encourage suppliers to participate actively in the continuously improvement process. This option was not used often enough in the past. Both contractors and Merck employees can now submit their suggestions for efficient processes to improve security or to optimize bills of quantities directly in the JAGGAER platform. This allows Merck to continuously improve their processes.

Central Availability of Data

The whole company can access supplier data using the central platform. The automatic reminder notifications ensure improved data maintenance because the users are reminded to complete certain

actions. Data and contractor management is also centrally accessible.

The user-friendly data entry process in JAGGAER makes it easier for Merck to evaluate the supplier's qualifications. A customized Merck template and the fact that the results are processed using tickets make it easy to complete evaluations in under a minute. The existing system at Merck was replicated in the new application so that there was almost no change in procedure for the more than 150 company evaluators. Key figures are automatically generated from the many evaluations that are then made available in the system to Merck employees and the suppliers.

New in JAGGAER: Sample Generator

In order to objectively select the next suppliers to be reviewed, Merck uses a self-regulating sample generator. This means that the evaluation results influence the likelihood and the time of a repeated inspection. The integration of Merck's sample generator into the new system even increased the effectiveness and the functionality of the standard features. For JAGGAER, the sample generator with an updated log book and data base was a new development. Apart from the accounting system, all of Merck's external contracting processes are now completed using the JAGGAER platform. Around 400

users and several thousand suppliers are directed and monitored using the platform. The Integrated Supplier Application (ISA), which is how JAGGAER is used at Merck, covers all of the main elements of managing the performance of contractors, such as contractor registration, management, direction, and maintenance, as well as evaluation, the sample generator system, and the security database.

Goals Reached With JAGGAER

- A central system for numerous complex processes
- Improved data quality and accessibility
- Seamless across various media
- Faster and more secure processes
- High usability for users
- Reduction of manual administrative tasks and maintenance costs.

Americas

+1 919 659 2600
sales@jaggaer.com

Europe

+43 1 80 490 80
dach_sales@jaggaer.com

MEA

+9714 360 1300
info-mena@jaggaer.com

APAC

+61 (2) 8072 0644
apac_sales@jaggaer.com