

opentext™

Success story

AmerisourceBergen

Industry

- Pharmaceutical distribution

Solution

- OpenText™ Exstream

Services

- OpenText Professional Services

*also available as the solution 'SAP® Document Presentation by OpenText™' with SAP specific functionality

Results



Re-architecture and upgrade of document delivery solution to meet business demand



Reliable, up-to-the-minute distribution of more than 250,000 documents per day



Cost savings in millions per year related to operational efficiencies



Sales increase related to additional marketing communications



AmerisourceBergen®

Leading pharmaceutical distributor scales to meet high-volume demand

AmerisourceBergen fulfills document requirements of record-breaking Walgreens partnership with OpenText™ Exstream™

"We have the power and performance needed to create, render and distribute a quarter million documents into customers' hands by the next morning."

Scott Marshall

Director of Applications Development
AmerisourceBergen



One agreement, triple the business: in the largest distribution deal of its kind, the partnership between AmerisourceBergen and Walgreens increased processing volume for the pharmaceutical distributor by three times. Fortunately, OpenText Customer Communications Management (CCM) solutions enabled AmerisourceBergen to meet the challenge with trusted technology.

New opportunity, high demand

While AmerisourceBergen is accustomed to large numbers—employing 13,000, achieving 100 billion in annual revenue, and handling close to 20 percent of pharmaceutical distribution within the United States alone—its partnership with Walgreens delivered a high-volume jolt to its supply machine.

As the largest drug retailing chain in the U.S., Walgreens operates more than 8,000 stores in all 50 states, interacting with more than 8 million customers each day. In 2013, AmerisourceBergen became the primary supplier of brand pharmaceutical products across all Walgreens locations, an opportunity that significantly increased daily volume requirements for the distributor, including:

- 80-90 percent electronic document delivery
- 275,000 printed documents
- 100,000 emails

OpenText delivery evolution

AmerisourceBergen manages and delivers the steady stream of price stickers, shelf labels, recall notices, invoices and other documents using OpenText™ Exstream (formerly OpenText™ StreamServe™). In 2005, the distributor replaced manual, labor-intensive operations with automated, streamlined document delivery—reducing manpower to a couple associates.

“We realized a huge labor cost reduction and prevented human error,” says Hiren Patel, application architect with AmerisourceBergen.

In 2010, the company migrated to SAP® and launched a new version of Exstream; achieving a fluid transition. ***“OpenText Exstream (formerly StreamServe) is so easy to integrate with different interfaces; it made it a lot easier for us to switch over to a new ERP system and continue providing the output needed,”*** explains Scott Marshall, Director of Applications Development. To address requirements specific to SAP customers, OpenText also provides additional SAP functionality as part of the SAP® Document Presentment by OpenText™ solution, which is also available from SAP.

Walgreens challenges and opportunities

Patel, Marshall, and other AmerisourceBergen IT professionals read potential challenges and opportunities with the Walgreens partnership announcement. ***“We knew the Walgreens processing volume would push our existing system to its limit in terms of ability to handle volume and keep acceptable service level agreements,”*** Marshall explains.

Timing to meet service-level agreements (SLAs) can be a ‘ship or die’ matter in the pharmaceutical industry, for a distributor and its customers. ***“Our highly competitive market and the AmerisourceBergen business model demands that we deliver products and documents in a very timely manner, in most cases overnight to get the needed products to our customers,”*** explains Marshall. Furthermore, those products carry specific handling requirements from temperature to expiration deadlines, many with exceptionally low profit margins.

Handling the higher volume of drugs and documentation also presented opportunity for AmerisourceBergen to refine and update its delivery system.

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New scalability, same reliability

AmerisourceBergen centralized and boosted Exstream throughput to adeptly handle 'new and improved' distribution demands, now exceeding hundreds of millions of documents per year. The solution even affords delivery of more than only required files, adding timely marketing communication customized to customer preferences and needs.

AmerisourceBergen worked closely with OpenText Professional Services to re-design and update its CCM installation. For close to 30 distribution centers, all data is now maintained within Exstream and in one centralized location. ***"That was the biggest gain,"*** Patel notes. ***"No matter the channel, documents can be printed and bundled together."***

More than 220 employees use an Enterprise Output Management Console integrated with Exstream to control output. All files are staged electronically, then automatically printed and sorted by route, stop, and customer into Driver Ready Packs, averaging 60 to 80 pages each. Following the Walgreens partnership, AmerisourceBergen produces an average of 20,000 Driver Ready Packs every day, consisting of more than 250,000 documents, usually within a three to four hour window. Via the portal and the OpenText™ Output Manager, users can change documents in packs, as needed, or reprint documents all within the short timeframe just before drivers run their routes.

In addition to printed document management, AmerisourceBergen relies on OpenText to fulfill communication preferences as defined by its customers. ***"It's nice to have a system that enables us to follow customers' preferences without a lot of re-work and changes,"*** Marshall says. To establish the scalable system, he and other IT team members reached out to OpenText Professional Services.

"We were planning more than a standard upgrade, but a re-architecture of our solution," Patel explains. ***"OpenText Professional Services team members were hands-on; we worked together to plan and implement a design that worked and helped us achieve our goals."***

Competitive advantage, revenue generation

With Exstream, AmerisourceBergen meets and exceeds distribution requirements for all business, including high volumes dedicated to Walgreens. ***"We have the power and performance needed to create, render and distribute a quarter million documents into customers' hands by the next morning,"*** Marshall says. ***"That is where our most recent deployment of OpenText Exstream has been great for us."***

Such efficiency is a valued result in the low-margin, time-sensitive pharmaceutical distribution market. ***"When you talk about distribution, it's all about efficiency,"*** Patel notes. Both Patel and Marshall consider Exstream to be a competitive advantage for AmerisourceBergen—technology that enables the distributor to get more from doing less, particularly as it relates to enterprise communication management. For example, since implementing Exstream, AmerisourceBergen achieved:

- Enhanced customer service with a vast reduction in document-related service calls and elimination of delivery errors
- Reduction of printers and related costs
- Improvement in document accuracy, timeliness and legibility
- Annual cost-savings in the millions due to improved operational efficiencies

"OpenText Professional Services team members were hands-on; we worked together to plan and implement a design that worked and helped us achieve our goals."

Hiren Patel

Application Architect
AmerisourceBergen



User-friendly aspects, such as the Enterprise Output Management Console, relate a more professional image to customers, according to Patel, and—together with other efficiencies, replace manual work and reallocate staff members to other critical operations. Still, improvements wouldn't matter if the results stayed only within AmerisourceBergen itself: the distributor is focused on passing efficiencies along to its customers who then supply life-sustaining products to people who need them.

AmerisourceBergen's upgrade and re-design of Exstream now serves as a foundation for business growth, according to Marshall. For instance, the distributor's marketing team is maximizing opportunities to enhance service and increase business through targeted communication with customers.

"OpenText Exstream lets us leverage an existing touch point with a customer and turn it into something bigger and better than we started with," Marshall says, referring to cross-selling flyers tied to customer buying patterns along with other material that promotes the company brand or customer care notifications. ***"Our manufacturers and suppliers definitely see rebound customers and volume rates increasing,"*** Patel reports. ***"They love the revenue-generating aspect of OpenText Exstream."***

Next up for AmerisourceBergen are plans to upgrade and integrate all departments using earlier Exstream versions and to expand use of the solution globally.



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