

CUSTOMER INNOVATION STUDY

Cremer S.A.

Cremer S.A. partners with Infor Consulting Services to replace incumbent ERPs in acquired businesses with Infor LX

“ We replace the existing ERPs at the companies we acquire with Infor LX. Unlike other software we have used in the past, Infor LX provides meticulous detail into the real costs of our business and can be implemented rapidly with no investment in customizations. In short, Infor LX fits our business and provides us with the highest return on investment.”

Marcelo Jorge Fernandez
Operations Director & CIO, Cremer S.A.



infor.com/customers

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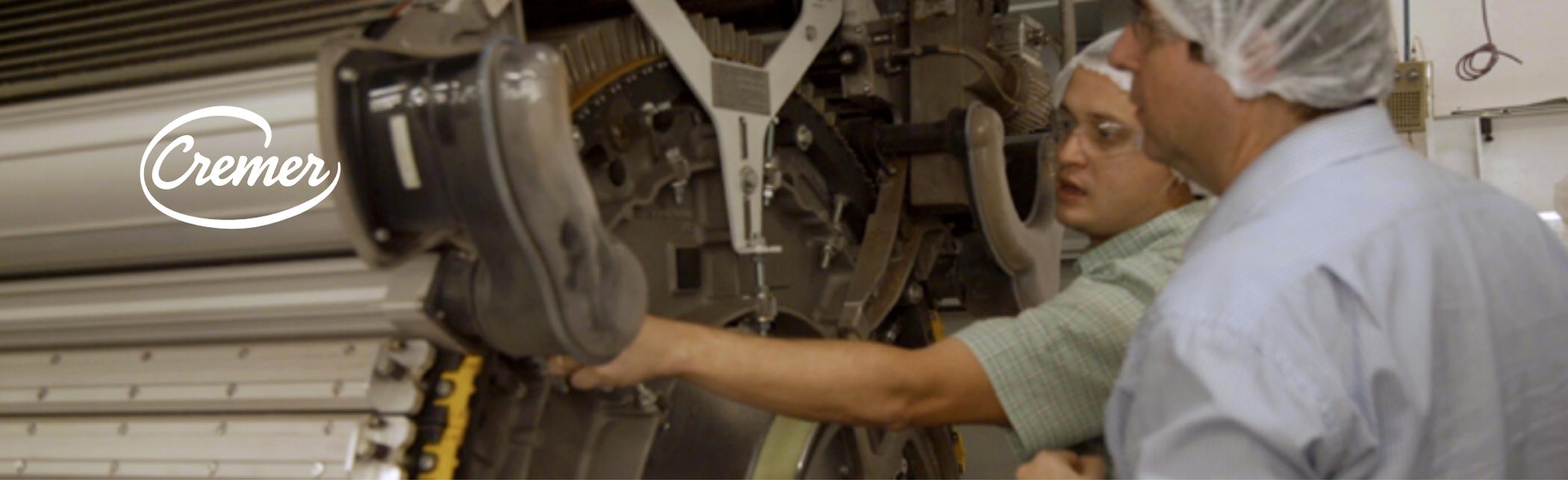
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Facts at a glance



HEADQUARTERS

Blumenau, Brazil



EMPLOYEES

3,000+



LOCATIONS

Seven production plants and
five distribution centers



FY2014 REVENUE

\$R 807,517,000



INDUSTRIES

Industrial Manufacturing,
Distribution



NUMBER OF SKUs

10 million SKUs
per month



INFOR PRODUCTS

Infor® LX, Infor EAM, Infor SCE,
Infor Supply Chain Planning



WEB SITE

www.cremer.com.br

Executive overview

Situation analysis

- Grow organically and through acquisition in a fragmented market that is ripe for consolidation.
- Consolidate the value chain to increase efficiency and gain an integrated view into all of the company's operations across the entire supply chain.
- Reduce the company's operational complexity by standardizing processes and business systems.
- Recover profitability through tight management of operating expenses including sales, administrative, financial, and other operating expenses.

Innovation strategy

- Replace existing ERPs at acquired companies P.Simon, Embramed, Paraisoplex, Ktorres, and Topz with the same instance of Infor LX as corporate head office without creating a disruption in business.
- Reduce operating expenses with Infor SCE and Infor EAM by increasing efficiency and effectiveness of warehousing operations and asset maintenance.
- Engage Infor Consulting Services to implement Infor LX, Infor Supply Chain Planning, Infor SCE, and Infor EAM.

Results

- Rapidly implemented Infor LX, Infor Supply Chain Planning, Infor SCE and Infor EAM on time and on budget with no time or money spent on customizations.
- Improved demand planning forecast accuracy and connected planning to production process and output.
- Radically enhanced warehouse efficiency, allowing for an important 47% headcount reduction over three years while business increased by 60%.

High-level impact

4-month

on-time and on-budget implementation of Infor LX at the Topz plant in São Paulo, a personal care products company Cremer had acquired and integrated into its core ERP

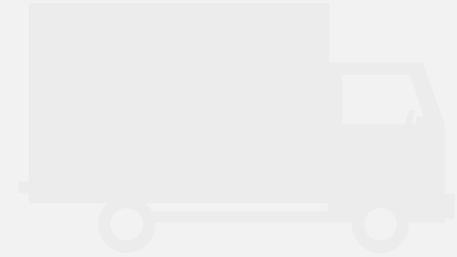
2-day

close of books in financial reporting process led to Cremer being the first company in the healthcare sector to report its results as a publically listed entity on the São Paulo BM&F Bovespa stock exchange

10%

reduction in maintenance costs each year for the last 2 years through the use of Infor EAM

Largest supplier of disposable and consumable healthcare products



Enhancing profitability through an efficient end-to-end value chain

Headquartered in Blumenau, Brazil, Cremer S.A. is the largest supplier of disposable and consumable healthcare products in the Brazilian market. Cremer S.A. supplies first aid, surgery, treatment, and hygiene products to the hospital, dental, industrial, and consumer segments. The company offers more than 3,000 products through a number of wholesale and retail channels and is a leader in gauze pads, surgical dressing, plaster bandages, and adhesive plasters. Since its founding in 1935, Cremer S.A. has rapidly grown both organically and through acquisition into 20 countries across South America and Europe.

Cremer S.A. aims to further strengthen its position as the national leader in its space by taking advantage of the fragmented

nature of the healthcare distribution business in Brazil. It has been systematically acquiring companies who produce products that Cremer S.A. can then offer to its existing customer base or use to increase its distribution capabilities. As its business has continued to scale, Cremer S.A. wanted to standardize its processes and create a consolidated view of its business activities.

Doing so would allow Cremer S.A. to benefit from having a larger footprint than other companies in this space because it could hold less inventory, reduce out-of-stock missed sales, and minimize operating costs as a percentage of revenue. To aid in this growth, Cremer S.A. sought enterprise software solutions that could help achieve these goals and enhance profitability.

“ Our Infor solutions have helped us increase revenue and control our expenses, and they have given us complete control of our inventory. Considering that we have seven factories and five distribution centers, visibility and control of our inventory is a high priority.”

Marcelo Jorge Fernandez
Operations Director & CIO,
Cremer S.A.

Migrating to the ideal solution, the right way



When Cremer S.A. makes an acquisition, the company replaces existing ERPs with Infor LX. Out of all the ERPs Cremer S.S. has evaluated, Infor LX provides the quickest time to value and the greatest return on investment, while also meeting all of its business requirements. Being an acquisitive company, Cremer S.A. has moved companies running other ERPs such as SAP® and TOTVS, as well as homegrown solutions, to Infor LX. Following the advice of Infor Consulting Services, who helps Cremer S.A. implement all its Infor solutions, the company runs all of the legal entities in its holding company through a single instance of Infor LX.

Through Cremer S.A.'s continued partnership with Infor Consulting Services, the company has consistently driven successful implementations on time and on budget with no time or money spent on customizations.

“ Infor Consulting Services convinced us to run Infor LX in a single instance that allowed us to effortlessly meet the obligations we must adhere to as a public company. We have noticed that companies who don't do this have performance and productivity issues. We value and trust the experience and foresight Infor Consulting Services brings to every engagement.”

Marcelo Jorge Fernandez
Operations Director & CIO,
Cremer S.A.



Overall, Infor EAM has helped Cremer S.A. reduce its maintenance costs by

10%

Reducing operating expenses

Infor has helped Cremer S.A. to reduce its operating expenses in many ways. Previously, Cremer S.A.'s financial reporting processes required a lot of time and manual effort. With Infor LX, Cremer S.A. can close its books in two days. In recent years Cremer S.A. has been the first company in the healthcare sector to report its results as a publically listed entity on the São Paulo BM&F Bovespa stock exchange. Cremer S.A. is also taking advantage of Infor Supply

Chain Planning, Infor SCE, and Infor EAM. These Infor solutions are helping Cremer S.A. reduce its operating expenses by increasing the efficiency and effectiveness of its warehousing operations and asset maintenance. Overall, Infor EAM has helped Cremer S.A. reduce its maintenance costs by 10% each year for the last two years.

RESULTS

Benefiting from an integrated value chain

Value realized

Cremer S.A. used Infor Supply Chain Planning's Demand Planning, Advanced Planning, and S&OP modules to streamline the information flow across its various departments that are involved in supply chain management. In addition, Cremer S.A. improved its demand planning forecast accuracy and connected its planning down to the production and output levels. In doing so, a tactical exercise became a strategic weapon. By forecasting demand more accurately, Cremer S.A.'s variance between supply and demand has been minimized, resulting in reduced out-of-stock missed sales and greater control over excess inventory holding costs. With Infor Advanced Planning, trade-offs can be automatically calculated to create an optimized manufacturing plan that satisfies all constraints and makes the best use of the company's assets.

Improving its business with Infor

Cremer S.A. was able to create a positive impact on several areas of its business thanks to its Infor solutions. Thanks to Infor LX, Cremer S.A. gained visibility into its enterprise-wide inventory levels and was able to reduce its inventory by 20%. Cremer S.A. also tripled the speed of its picking process time by modernizing its warehouse management systems with Infor SCE. This led to further warehouse efficiencies: Cremer S.A. reduced its headcount by 47% over three years, in a period where the business grew by 60%. Lastly, Cremer S.A. achieved a 10% annual reduction in its maintenance costs for the last two years thanks to Infor EAM.

Detailed impact

16%

improvement in demand planning forecast accuracy identified in the first month of running Infor Supply Chain Planning's Demand Planning, Advanced Planning, and S&OP modules

20%

reduction in inventory resulted in a reduction of required working capital and a related increase in return on equity

67%

reduction in picking process time allowed for an important 46.875% headcount reduction over three years, a period in which the business increased by 60%

5%

percent fewer costs in purchasing operations with e-procurement

LOOKING AHEAD

Continual pursuit of operational excellence

The early success of Infor Supply Chain Planning has encouraged Cremer S.A.'s teams to gain more familiarity with the solution. Cremer S.A. wants to continue to increase the accuracy in its demand forecasting so it can more efficiently deploy its resources to bring adequate supply to its customers. In addition, as Cremer S.A. grows, it will continue to replace all of the existing ERPs of its newly acquired businesses with Infor LX. With Infor LX, Cremer S.A. can maintain an integrated view of its business as it continues to experience rapid growth.

“

The Infor SCE implementation allowed us to carry out a picking process that was three times faster and allowed for an important staff reduction where we went from 320 to 170 in a period of 3 years.”

Marcelo Jorge Fernandez
Operations Director & CIO,
Cremer S.A.

Learn more

Watch Infor LX in action

Learn more about Cremer's growth story and why the organization replaces the existing ERPs of all of the companies it acquires to Infor LX.

[Watch video >](#)



Infor LX

Infor LX—trusted by process manufacturers worldwide—is an ERP solution that offers deep industry functionality and flexibility to help you adapt to new manufacturing trends and regulatory changes. Infor LX is extremely scalable and provides the capabilities you need to support your business as it expands around the globe. Based on the IBM® Power Systems platform, it provides superior reliability and 40% lower IT costs to ensure superior return on your investment.

[Infor LX >](#)

Infor Supply Chain Management

Infor Supply Chain Management combines best-in-class solutions with industry-specific functionality, giving you the power to plan and execute your supply chain strategies faster and more profitably, from strategic and tactical planning to execution.

[Infor Supply Chain Management >](#)

Infor EAM

Infor EAM is the most configurable enterprise-grade asset management solution on the market. It gives you the power to improve your capital asset management in ways that increase reliability, enhance predictive maintenance, ensure regulatory compliance, reduce energy usage, and support sustainability initiatives.

[Infor EAM >](#)



Infor builds business software for specific industries in the cloud. With 16,500 employees and over 90,000 customers in more than 170 countries, Infor software is designed for progress. To learn more about Infor, please visit www.infor.com.



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