

FFF Enterprises: Putting Patients First with Innovative Inventory Pricing

Founded in 1988, FFF Enterprises Inc. is the largest distributor of human blood products, vaccines, and critical-care biopharmaceutical products in the United States. Beyond distribution, the purpose-driven organization is committed to leading with integrity and forging a patient-centered focus.

FFF Enterprises is known for its groundbreaking distribution innovations, such as uniting biopharmaceutical manufacturers, group purchasing organizations (GPOs), and hospital partners to improve cost containment and availability of in-demand products. Assessing its inventory management processes, the company saw an opportunity to **move to dynamic, real-time pricing processes**, taking innovative delivery models to the next level.



“Helping Healthcare Care” with SAP S/4HANA® and the SAP® Incentive Administration Application by Vistex



Before: Challenges and Opportunities

- Inefficient, spreadsheet-based reconciliation process for customer chargebacks
- Manual and offline reporting and price updates slowing the pace of growth and frustrating customers
- Asynchronous inventory pricing updates increasing the need for adjustments, chargebacks, and rebills
- Lack of support for dynamic mass pricing updates for products with higher price volatility
- Complex manufacturer contracts leading to manual work-arounds
- High volume of credits and rebills due to incorrect pricing, forcing customers to reopen their books and impacting forecasting and financial planning

Why SAP

- SAP S/4HANA® providing a comprehensive, integrated suite that addresses multiple aspects of inventory, supply chain, and contract management
- SAP® Incentive Administration application by Vistex to provide certified, integrated, real-time pricing-data management and optimization as well as support for rebates, chargebacks, and promotions

After: Value-Driven Results

- Contributed to the company’s innovative RightNow Inventory™ vendor-managed inventory “in a box,” delivering automatic, consumption-based invoicing with dynamic price updates
- Deployed a distributed pricing model that’s live 24x7 and transparent from manufacturer to customer
- Gained a real-time view of inventory in distribution centers and physician locations, enabling automated analysis and tracking of inventory levels to inform product replenishment

“Using SAP S/4HANA and SAP Incentive Administration by Vistex, part of the industry cloud portfolio, has led to **over a million dollars in savings to our customers** due to the reduction of credits and rebills. We’re expecting that figure to grow even more this year.”

Susan Lowe, Senior Vice President of Supply Chain Operations, FFF Enterprises Inc.

50%

Reduction in credits and rebills to customers

>\$1 million

Customer savings through more-efficient credit and rebill processes

FFF Enterprises Inc.
Temecula, California
www.fffenterprises.com

Industry
Wholesale distribution

Products and Services
Specialty pharmaceuticals, delivery, and remote inventory management

Employees
1,000

Revenue
US\$2 billion

Featured Solutions
SAP S/4HANA and SAP Incentive Administration

THE BEST RUN





Enhancing **Operational Flexibility** and Putting Patients First with Smart Inventory Technologies

Many companies offer 24x7 ordering, but in distributing specialty pharmaceuticals, the ability to get the right product into the right hands fast is about more than customer satisfaction. “Everyone understands that at the end of every transaction, a patient is waiting for a product,” says Patrick Schmidt, CEO at FFF Enterprises Inc. But in moving at speed, data accuracy can be an understandable yet costly afterthought.

SAP S/4HANA® and the SAP® Incentive Administration application by Vistex (part of the industry cloud portfolio) bring visibility to FFF Enterprises through real-time data. Be it mass pricing updates or new pricing agreements with group purchasing organizations, pricing data is now fully automated and immediately visible. Customers can access accurate, real-time pricing from the price list and catalogs through electronic data interchange. They can check availability and purchase products from the Web portal based on timely information. And automated analysis and tracking of inventory levels help inform product replenishment.

In an era of razor-thin margins and vendor consolidation, FFF Enterprises saw digital transformation as mission critical. Innovative, automated replenishment and RFID consumption-based invoicing technology from SAP have enabled the company to become a truly intelligent enterprise, living up to its mission to help healthcare care.

“In my experience, highly customized software really affects your ability to grow. SAP Incentive Administration by Vistex helped us integrate with trading partners and customers in real time and **expand data visibility**, enabling us to get treatments to more people faster, and at a better price.”

Susan Lowe, Senior Vice President of Supply Chain Operations, FFF Enterprises Inc.

49%

Reduction in chargeback days outstanding, from 19 to 10

<30 days

For onboarding process for new businesses

