



WHITE PAPER

Revolutionizing Pharma: Overcoming ERP Challenges for True Digital Transformation



SACHIN BHALEKAR

Director Cyclone Pharmaceuticals Pvt Ltd
Innovator, World's First PaperLess GMP
CONTACT 7722000550

Executive Summary

In today's pharmaceutical landscape, numerous ERP developers are offering their solutions, with leading companies like SAP providing customized options specifically for pharma manufacturers. However, despite the availability of these advanced systems, significant issues persist regarding their adoption and effective use within the industry.

Current Scenario:

Many pharmaceutical companies have invested in ERP systems and digital platforms, but a considerable number of them are either underutilizing these tools or using them merely out of necessity rather than by choice. This underutilization points to a deeper problem within the industry regarding the practical applicability and user-friendliness of these ERP solutions.

Key Issues:

1. Underdeveloped ERP Systems:

The ERP solutions available often lack the comprehensive features needed to fully support the unique and complex workflows of the pharmaceutical industry. This underdevelopment leads to inefficiencies and gaps in the system.

2. Lack of Understanding:

There's a significant disconnect between software developers and the actual needs of pharmaceutical operations. Developers frequently fail to fully understand the intricate workflows, leading to ERP systems that do not align with the industry's real-world requirements.



3. Missing Links: Critical elements within the workflow are often omitted, creating gaps that hinder seamless operations and reduce the overall effectiveness of the ERP system.

4. Complex Flows and Approvals: The approval processes and workflow structures in many ERP systems are overly complicated, causing frustration among users and leading to resistance in adoption.

5. Diverse Compliance Rules: The pharmaceutical industry is governed by a myriad of compliance regulations, which can vary significantly. Many ERP systems fail to adequately address these diverse requirements, leading to non-compliance risks.

Due to these issues, pharmaceutical ERPs often serve merely as tools for generating compulsory reports rather than providing real utility. They are typically useful only for warehouse management, purchasing, and accounting, with other departments receiving little benefit.

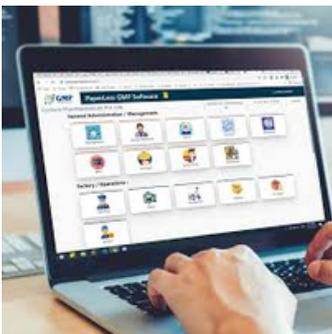
Company Values

Current Trends:

A new trend is emerging where software companies claim to offer fully customizable ERP solutions tailored to specific needs. However, this often leads to a misalignment between what pharma teams need and what software teams deliver. The result is a system that neither party is fully satisfied with, causing further reluctance to adopt digital solutions wholeheartedly.

Challenges in Full Digitalization:

When discussing 100% digitalization with pharmaceutical leaders, there is often a lack of enthusiasm due to past negative experiences. Many companies find themselves switching their ERP systems every few years due to unmet expectations and underperformance. Key reasons for this include:



- **False Promises:** ERP providers often make exaggerated claims about their system's capabilities, leading to disappointment when these promises are not fulfilled.
- **Reluctance of Staff:** Employees are often hesitant to use underdeveloped or overly complex software, which further hampers adoption.
- **Data Integrity Issues:** Claims of CFR compliance are often dubious, especially when super administrators can edit data, undermining the integrity of the system.

Conclusion:

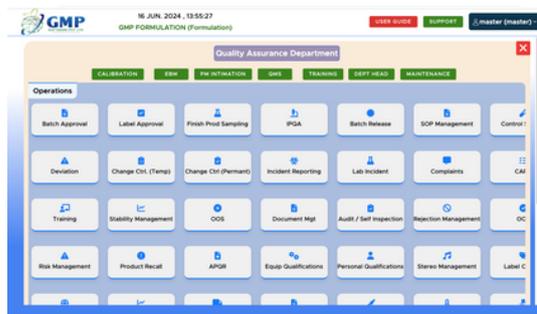
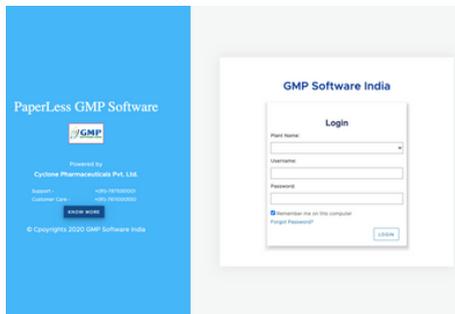
The pharmaceutical industry needs to become more literate about its specific requirements and understand the difference between compliance-focused software and MIS systems. Most available ERPs are MIS systems, lacking validation and compliance with CFR, leading to hesitation from QA departments to use them for compliance purposes.

Call to Action:

For the industry to move forward, there must be a concerted effort to develop truly compliant and validated ERP systems that meet the unique needs of pharmaceutical manufacturing. This involves:

- **Collaboration:** Software developers must work closely with pharmaceutical professionals to gain a deep understanding of the industry's workflows and compliance requirements.
- **Customization:** ERP solutions should be customizable to address the specific needs of different departments within pharmaceutical companies.
- **Training and Support:** Comprehensive training and ongoing support should be provided to ensure that staff can effectively use the ERP system.
- **Continuous Improvement:** ERP systems should be regularly updated and improved based on user feedback and evolving industry standards.

By addressing these challenges, the pharmaceutical industry can achieve the benefits of full digitalization, including improved operational efficiency, enhanced compliance, and better overall performance.



The image shows a screenshot of the 'Raw Material Stock Book' table. The table has columns for Material Code, Material Name, Total Qty, Requisition, Stock Qty, Inventory Qty, Inventory Val, Inventory Cost, Inventory Price, Inventory Qty, Inventory Val, Inventory Cost, Inventory Price, and Stock Value. The table contains several rows of data for various materials.

The image shows a screenshot of the 'Material Type' table. The table has columns for Material Type, Status, Base Material, and a 'CLEAR FILTER' button. Below the table is a list of materials with columns for GRN No., Alt No., Vendor Name, Material Type, Material Code, Material Name, Batch, Batch No., Qty, and Status. The table contains several rows of data for various materials.

