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Daiichi Pharmaceutical Co., Ltd.

Fujitsu’s BASIS service and Solaris™ Operating Environment PRIMEPOWER server contribute to a reliable SAP R/3 infrastructure.
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Daichi Pharmaceutical, a leading drug manufacturer, started operation of its corporate core system using SAP R/3 in April 2002. During the project, several sub-systems that had been developed individually on an area by area basis were integrated into SAP R/3 to achieve the company’s primary targets of an efficient management environment and enhanced competitiveness in the market. The core system was constructed in the relatively short time of 18 months with support from Fujitsu as the BASIS partner. By introducing the high-performance PRIMEPOWER server, Daichi Pharmaceutical ensured the absolute reliability and availability of the new system.

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**Due to several factors, including rapid changes in the national health insurance system and the entry of foreign-affiliated companies, competition in the Japanese pharmaceutical industry has intensified significantly. This, in turn, led to the establishment of new and unprecedented developments in areas such as genomic pharmaceuticals and individually tailored medical treatments.** Drug manufacturers face major issues in evolving to accommodate such changes in their business environment.

Mr. Yasuhiko Yotsui, general manager of Daiichi’s Information Planning and Administration Dept., said, “As a company specializing in manufacturing drugs, our experience from a variety of applied solutions is extensive and our performance excellent. We’d like to leverage these characteristics so that our business thrives in the global competition of the future.” Every drug manufacturer has its own priorities and strengths. One of Daichi Pharmaceutical’s strengths is its line of products intended for use by medical practitioners. Particularly in the fields of antibacterial drugs and contrast media, the company is recognized as a leader, and has already proven itself to be successful not only in Japan but also worldwide.

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**The decision to introduce SAP R/3 was long-drawn out corporate strategy reform.** In 1999, Daichi Pharmaceutical kicked off their MINT (Mission Investment Total system) Project to completely rebuild their corporate core system.

Mr. Shinya Kobayashi, in charge of ERP as deputy manager of the Information Planning and Administration Group for the Information Planning and Administration Dept., gave the following background explanation: “At that time, our previous core systems built using mainframes had become obsolete and were expensive to maintain. More importantly, it was most urgent that we achieve business process improvement and structural reform; for example, better inventory turnover and faster monthly account settlement.”

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**PRIMEPOWER 2000 was selected based on excellent performance and reliability.** It is typical in the set-up of an SAP R/3 system that customers prepare separate servers for development, verification, and production work. Solaris™ Operating Environment (Solaris™) handles such operations well, is highly reputed as a platform for large-scale systems, and also supports excellent features for domain management (partitioning) and multi-user support. With a single PRIMEPOWER from Fujitsu supposed to take the roles of all those multiple servers, I was very interested”, said Mr. Shinya Kobayashi.

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**The excellent transaction capability of PRIMEPOWER was another attractive point.** Mr. Hiroshi Kobayashi said, “The SD (sales and distribution) application of SAP R/3 has a fairly large CPU power requirement. We therefore wanted our central server to have the highest performance possible and ran benchmark tests on several high-end UNIX® servers from candidate vendors. What we found was PRIMEPOWER2000 (the top-end model) outperformed all the others by 40%. That was evaluated as significant.” The company satisfied with PRIMEPOWER in terms of reliability and availability as well. “We put a single PRIMEPOWER into our production operation and did not make it into a clustered system as we judged that PRIMEPOWER could achieve the required level of security just from its multi-layered ECC functions (automatic detection and correction of memory errors, etc.) and the stability of its standard Solaris OS. In fact, we have never encountered a problem since production was cut over”, said Mr. Hiroshi Kobayashi.

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**Stable systems operation support comes from a variety of applied solutions.** In the important manufacture of medication for human ailments, it was critical that the company not suffer any problematic system shutdowns. In addition, the reaction of Fujitsu’s BASIS service and Solaris™ Operating Environment PRIMEPOWER server contribute to a reliable SAP R/3 infrastructure.

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**can keep production operation downtime to an absolute minimum.** In relation to the storage sub-system, they have an SSP (Storage Service Provider) contract with Fujitsu which helps them both reduce their initial hardware investment and ensure speedy capacity expansion whenever necessary.

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**Mr. Yotsui spoke of his hope, saying, “In the pharmaceutical industry, demand for effective use of IT solutions on a global basis is greatly intensity, examples being the sharing of experimental data internationally and the standardization of application procedures for new drug approval, etc. We expect Fujitsu to tailor beneficial IT proposals for Daichi Pharmaceutical as well as continue their excellent support in the future, too.”**

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Mr. Yasuhiko Yotsui, General Manager of Information Planning and Administration Dept., Daiichi Pharmaceutical Co., Ltd.

Mr. Shinya Kobayashi, Deputy Manager of SAP, Management Information Planning & Administration Dept., Daiichi Pharmaceutical Co., Ltd.

Mr. Hiroshi Kobayashi, Engagement Manager for ERP, Management Information Planning & Administration Dept., Daiichi Pharmaceutical Co., Ltd.

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**The company found that Solaris™ Operating Environment was a suitable platform to apply** in a single server environment. Mr. Shinya Kobayashi said, “The FPG and other high-end UNIX® servers that were available at that time also influenced by Fujitsu’s positive reaction to Daiichi Pharmaceutical’s SLA (Service Level Agreement) requirements. The challenge was to handle the direct support of SAP headquarters in Germany. The work was managed in the following way; BASIS members of Fujitsu first verified new codes sent from SAP headquarters in the development environment of Daichi Pharmaceutical, then, if no problems were found, the codes were transferred to the production environment. “It is as if we have our own SAP competence center within the company. I admire the efforts of Fujitsu BASIS members who worked together with us to complete the implementation project”, said Mr. Hiroshi Kobayashi contentedly.

Daichi Pharmaceutical constructed a new SAP-based corporate core system with a “big bang” approach. “We calculate that the development of a similar system in COBOL would have required approximately 4 to 4.5 million program steps, thus costing in the range of 10 billion yen. Based on SAP R/3, we completed our new system within the budget of 4 billion yen, so I think the project was a tremendous success from a systems investment perspective, too”, said Mr. Hiroshi Kobayashi.