

## Case Study

Aldrich Chemical  
Company  
Milwaukee, WI



Aldrich Chemical Company is a life science and high technology company that specializes in the production and distribution of organics and inorganics for chemical synthesis. It is a part of the Sigma-Aldrich Corporation, a \$1 billion plus international company that offers the research community 85,000 products. Sigma-Aldrich develops, manufactures and distributes the broadest range of high quality biochemicals, organic chemicals, chromatography products and diagnostic reagents available in the world. The Company's products are used in life science and high-tech research and development in government, universities and industry, in the diagnosis of disease, and as specialty chemicals for pharmaceutical and other manufacturing purposes in more than 160 countries.

Sigma-Aldrich Corporation recently received the distinctive award of "E-Commerce Innovator of the Year" by Network World, the leader in network knowledge. This award recognized the company's endeavors in integrating its back end order processing system with its cutting edge Web e-commerce system, dubbed "PipeLine<sup>®</sup>". The American Chemical Society publication, "Chemical and Engineering News", released findings from their market position study which named the Sigma Aldrich PipeLine<sup>®</sup> e-commerce system as the preferred solution for buying chemicals over the Internet. Similar recognition was also received from "Today's Chemist at Work", and "Vertical Zoom". The Company's site can be found at [www.sigma-aldrich.com](http://www.sigma-aldrich.com).

### Aldrich Chemical Company's Challenge

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On a daily basis Aldrich helps thousands of customers accomplish their goals. Their service-oriented attitude not only brings people back, but also has made the Company a pacesetter in customer support. With over 70,000 different stock keeping units and 100,000 customers in more than 160 countries, Aldrich aims to be the preferred supplier in the markets it serves by offering accurately filled orders, a quick turn around time on those orders placed and innovative, quality products at competitive prices. Aldrich needed to continue to improve its ability to provide its customers with exactly what they need, when they need it and Catalyst Warehouse Management Systems (WMS) helped accomplish that.

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*"We changed our order entry system, warehouse location and WMS. This allowed us to utilize multiple call centers, enhance same day shipping performance and reduce errors. Our efforts will now focus on providing customer specific requests and maximizing the efficiency of the overall process."*

**Joe Porwoll, Vice President, Aldrich Chemical Company**

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## Aldrich Chemical Company's Goals

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Aldrich is a market-driven organization with a keen awareness that the ever-rising expectations of customers must not only be met, but exceeded. By building relationships with customer groups they are able to understand customers' current needs. This helps the customers to be successful in their varied endeavors and develop products they will need in the future.

So to meet customer's high expectations, Aldrich's goal was to provide same day domestic shipment and maintain inventory accuracy and lot control to assure quality customer service. Over 6,000 order lines are processed each day. Nearly a third of the order lines are sent to international destinations and Aldrich wanted a quicker turn around time on these orders. The WMS chosen had to improve inventory control, provide a quick turn around time on orders received, and be able to handle segregation of materials by specific hazard class.

## Catalyst's Solution

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Aldrich Chemical Company was running on a mainframe order entry system of their own design. They had an archaic legacy WMS that printed everything on paper and did not require location verification during picking. Aldrich began to upgrade and automate their supply chain management with the SAP R/3 solution.

Simultaneous to the upgrade of the WMS, Aldrich moved to a new larger facility. Catalyst and Aldrich worked together to streamline the order picking system while segregating the storage of different types of hazardous materials. Orders are now picked into as few totes as possible and transported by conveyor to packing and shipping areas for a more efficient shipping system while satisfying unique business rules.

**Note:** *SAP and Catalyst have entered into a strategic alliance that offers customers an expanded solution for supply chain execution through the integration of WMS and SAP R/3. This interface provides SAP customers who require a high-end WMS with a proven solution that will reduce the time, risk and cost involved with integrating SAP R/3 and Catalyst WMS.*

## Technical Facts at a Glance

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**Items:** 70,000 SKU's with 1.5 million units in inventory and 56,000 stock locations.

**Facility Size:** 320,000 square feet located in Milwaukee, Wisconsin.

**Shipments:** The total number of inbound orders average about 800 per day and the total number of outbound order lines average about 6,000 per day.

**WMS Version:** Installed WMS Release 7.0 on a RS/6000 and an Oracle RDBMS.

**Configuration:** Teklogix RF Terminals; Clippership 3rd Party Software; Rapistan's "Rapid Route" Conveyor SAP 4.6C

## Aldrich Chemical Company's Return on Investment

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The Catalyst WMS has enabled Aldrich to streamline its entire system, going from a situation where inventory was hand picked with printed instructions from numerous locations, to a warehouse with improved control of all warehouse and distribution functions.

Aldrich now has enhanced control over the segregation of chemical hazards, and a better handle on both the picking process and the receiving process. There is more efficient restocking, more control over storage locations by hazard class, and improved inventory turns. Inventory accuracy has dramatically improved and Aldrich now has the capability to do real time audits using RF technology.

One hundred percent of domestic orders are picked, filled and shipped on the same day, and international orders are shipped within three days.

There is now an interface between SAP, Catalyst and Evcor to print hazardous shipping documents and report tracking information back to the customer service process within SAP. Customers may now track their orders using the Sigma-Aldrich Web site.

### Corporate Headquarters

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