



SUCCESS STORY

Award-Winning Procurement Solution

How Dräger Achieved Seamless Transparency

The “Excellence in eSolutions” award was established in 2021 by Germany’s Association for Supply Chain Management, Procurement, and Logistics (BME) to recognize innovative solutions in the field of electronic procurement. This year’s prize goes to Drägerwerk AG & Co. KGaA (“Dräger”) for its end-to-end e-procurement solution. The publicly traded German medical and safety technology leader has over 15,000 employees in 190 countries worldwide. For its transport management, Dräger relies on AX4 from Siemens Digital Logistics.

Challenge

Dräger has production centers and sales and service companies in over 50 countries. To meet growing appeals for faster deliveries with undiminished standards of quality amid an ongoing growth in business volume, Dräger opened the “factory of the future” at its Lübeck headquarters in 2016. This forward-looking facility merges production operations previously spread across several sites with inbound and outbound logistics. The new site in northern Germany also ushered in a new pull system of manufacturing and optimized intralogistics. This production overhaul made it necessary to standardize and automate the procurement processes, including the software that supports them, with the goal of greater simplicity and efficiency.

»The solution we implemented as part of our inbound initiative, by integrating our suppliers and carriers, yielded an end-to-end e-procurement process.«

Alexander Bramkamp
Head of Strategic Supply Chain
Dräger

SIEMENS



Solution

When it came to implementing a transport management system, Dräger decided on AX4 from Siemens Digital Logistics. The cloud-based solution made it possible to completely automate the entire multimodal transport process, from booking carriers to settling accounts through self-billing. What's unique here is the end-to-end integration of the systems. Dräger's SAP system acts as a data hub between its procurement portal and transport management system. AX4 integrates logistics service providers for multimodal transports throughout the world, using data transmitted by the SAP system to automatically select the carrier best suited for each shipment while identifying any potential for consolidation. The software also books the shipments and generates all the necessary documents, then collects status updates and estimated times of arrival from the carriers during transport. AX4 shares the data it collects with Dräger's SAP system and also feeds it into the self-billing workflow.

Success

The new end-to-end e-procurement system has given Dräger complete control and visibility over all inbound shipments. It also helps the company manage the associated costs and generate potential savings through consolidation effects. The no-touch solution significantly reduced costs on all sides—for suppliers and carriers and for Dräger itself—resulting in much greater efficiency. This puts Dräger in a good position to accommodate expected revenue growth and the increased procurement volume this will trigger. Dräger had already successfully deployed AX4 for its outbound logistics. Now it has come full circle with inbound logistics, enabling a holistic view of the entire supply chain in all its complexity—with AX4.

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