

# 40-50% of Inventory Reduction in Pharmaceutical Industry

How Streamline reduced inventory while keeping high customer service for an OTC manufacturer.

Case Study



<b>Industry:</b> Pharmaceutical	<b>Business model:</b> Manufacturing	<b>Region:</b> North America, USA & Mexico
<b>Solution:</b> Inventory optimization.		



## Leader in the pharmaceutical and personal care goods

Genomma Lab Internacional, a 100% Mexican company leader in the development, production, marketing and promotion of products that empower people to have excellent health and wellness. Since its founding in 2007, Genomma Lab has maintained an accelerated pace of growth and today it has presence in 18 countries in the region.



## Challenge

### The complicated supply planning process and the challenge of the excess inventory

Genomma Lab, along with other drug manufacturers in the pharmaceutical industry, faces the challenges of a complicated supply chain planning process with excess inventory and different shelf life periods.

In addition, Excel spreadsheets were needed to be standardized since planning purchase orders was previously reliant on the planners' criteria and experience.

Genomma Lab's focuses on innovation and operational excellence, that is why the optimization of inventory was of great importance.

## Project

Inventory reduction was the main challenge for Genomma Lab. The Streamline solution proposal completely redesigns the Supply Planning process (MPS, MRP). Implementing SAP planning modules was also defined as part of the strategy.

Genomma Lab decided to go with the Streamline solution, which took five months (from October 2019 to March 2020) for solution implementation. After the pilot test, Streamline has shown visibility of the inventory and reduction potential.

## Outcomes

### Supply Planning Process re-engineering and the implementation of an already developed commercial tool, Streamline has resulted in the following benefits:

- Materials inventory reduction opportunities range from 40% to 50% during the following 4-6 months, maintaining or improving customer service.
- A standardized process for all buyers aligned to best practices.
- Process and tool replication capability with the remaining local contract manufacturers and eventually globally.
- Among many other features, KPIs integrated into the selected tool provide visibility of inventory excess and stockouts, as well as the corrections needed to avoid them.
- Replacement of ForecastPro functionality with Streamline and integration Demand/Supply Planning in a single tool.
- Ability to feed Streamline directly from other systems, particularly the company's ERP (SAP).

