



case study



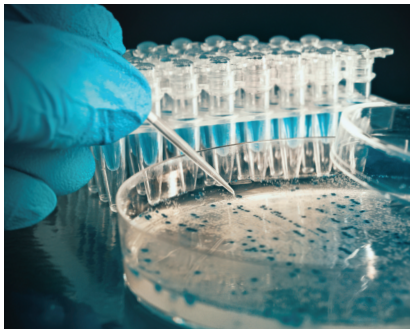
Customer Otsuka Pharmaceutical Europe Ltd

Location France, Germany, Italy, Spain, UK, the Nordic region and more to come

Industry Pharmaceuticals

Software AGR Sales Planner and Inventory Optimiser

ERP Microsoft Dynamics NAV



Company Profile

Otsuka Pharmaceutical Europe Ltd focuses on the research and development of medical products and devices for specialist areas including cardiovascular, gastro-intestinal and central nervous system disorders.

Part of the Otsuka Pharmaceutical Group, a conglomerate of 156 businesses established in 1921, Otsuka's European operation was established in 1979. It currently employs 450 people and has sales and marketing operations in France, Germany, Italy, Switzerland, Spain, UK and the Nordic region supported by the regional head office in Wexham, near Slough to the west of London.

Integrated inventory management from AGR supports growing and changing international business

Otsuka Pharmaceutical Europe has a passion for improving the health of people. The company is committed to focusing its research and development on innovative products and medical devices that address unmet medical needs, particularly in the specialist areas of cardiovascular, gastro-intestinal and central nervous system disorders.

Part of the Otsuka Pharmaceutical Group, a conglomerate of 156 businesses established in 1921, Otsuka's European operation was established in 1979. A rapidly growing organisation with over 450 employees, Otsuka Pharmaceutical Europe currently has sales and marketing operations in France, Germany, Italy, Switzerland, Spain, UK and the Nordic region supported by the regional head office in Wexham, near Heathrow Airport.

With an enviable reputation for innovation, one of Otsuka's major products in the mental health category, Abilify®, has won 10 industry awards for innovation and is licensed for use in more than 70 countries.

Recently, Otsuka Pharmaceutical Europe turned to supply chain planning, software specialist AGR to create a fully integrated inventory management solution that links seamlessly with the organisation's Enterprise Resource Planning (ERP) system and manages fluctuating stock levels on a daily basis.

According to Marilyn Miller, Supply Chain Manager for Europe at Otsuka, "Our business environment is highly complex. Not only do we have three main product lines operating on different supply chain planning systems but our sales affiliates in six major countries enter their market intelligence data manually into the various systems, a cumbersome process that can be prone to error. The time had come to drive efficiencies that would ultimately manage huge amounts of stock information across 20 European countries during a time of rapid business expansion."

Meeting the supply chain needs of a European healthcare business

For some time, Otsuka relied on its Microsoft Dynamics NAV solution combined with an existing planning tool which although successful required additional functionality and more automated processes with more efficient daily stock feeds. Otsuka reviewed the marketing for an inventory management solution that would work best with the well-established Microsoft ERP system.





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Challenges

- Complexity of managing three main product lines operating on different supply chain planning models across multiple countries and business partners
- The need to support a rapidly growing and changing business environment with huge amounts of sales data
- Collaboration of market relevant information into the Sales and Operational Planning (S&OP) process to address changing forecast positions.

Benefits

- Enabled a collaborative sales and operation process
- Efficiency gains in inventory with high service levels maintained
- Seamless integration with in-house ERP system
- Complete visibility of medication expiry dates
- Enhanced overview and reporting capabilities
- Improved inventory planning
- Ease of use

Microsoft Partner

- Tectura UK



Marilyn Miller continued, “We selected AGR’s Inventory Optimiser as our solution of choice. We were impressed because it was clear from the outset that the technology could deliver the real-time information and advanced reporting capabilities required to satisfy our supply chain needs. It also promised a high degree of flexibility, essential to handling the complexity associated with a diverse set of supply chain models and third party logistics providers in multiple countries. Furthermore, AGR offered a robust framework that enabled us to work more closely with our partners such as Bristol Myers Squibb and Lundbeck Worldwide and promote many of the best healthcare brands in Europe.”

Easy access and real-time information are critical to success

The AGR software solution went live in early 2013. From the start and after only one half-day training session for users, the system proved effective and gave Otsuka complete visibility of vital information such as all stock inventory with expiry dates, firm order data as well as past sales history and future forecasts. Otsuka’s sales affiliates across Europe now have easy access to AGR Inventory Optimiser using it to store and use information from the Microsoft Dynamics NAV ERP system as well as from the company’s European warehouse in Germany and its two key partners Bristol Myers Squibb and Lundbeck Worldwide.

Sales planning has been integrated into the system using the AGR Sales Planner which enables other aspects such as promotions, to be incorporated. This means that it is possible to help plan promotions and carry out replenishment of stock order cycles.

All information is automatically fed into the AGR system from Otsuka’s many internal and external data sources and then updated on a daily basis. Every morning, staff can monitor real-time stock levels across Europe and act on them accordingly.

Marilyn Miller added, “The exceptional level of accessibility afforded by the AGR system combined with its ability to provide accurate, real-time data are critical to running our European operations today. At a glance, issues such as low stock levels or medicines that are close to their expiry dates are highlighted and can be addressed quickly and efficiently. Using AGR, we have a powerful set of tools that demonstrably raises staff productivity and gives our sales force greater confidence when conducting business with our partners and their customers.”

Flexibility works wonders

The Otsuka team worked with AGR Consultant Kim Petersen to scope out the organisation’s requirements either in terms of additional development work or other refinements to the implementation process.

Marilyn Miller said, “Unlike many solutions in the marketplace, AGR is highly flexible and scalable. It could easily be configured to support our own unique processes and adapt nimbly to our future business requirements. We know we are in safe hands and can rely on a team of professionals who come up with answers



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“...The exceptional level of accessibility afforded by the AGR system combined with its ability to provide accurate, real-time data are critical to running our European operations today. At a glance, issues such as low stock levels or medicines that are close to their expiry dates and no longer safe to use are highlighted and can be addressed quickly and efficiently. Using AGR, we have a powerful set of tools that demonstrably raises staff productivity and gives our sales force greater confidence when conducting business with our partners and their customers...”

Marilyn Miller

Supply Chain Manager for Europe at Otsuka

to our queries. Furthermore, we have privileged access to a valuable pool of resources and can tap into expert knowledge that regularly solves the pharmaceutical sector’s most common business challenges and puts us at the forefront of our industry.”

Efficiency gains offer definite health benefits

Using AGR in combination with Jet Reports, Otsuka can quickly pull together reports that give senior management and suppliers an excellent overview of stock levels and its overall business operations at any one time.

In less than a year, Otsuka has realised a series of tangible benefits since using AGR. For example, manual processes have been replaced by automated runs between systems. Greater visibility of expiry dates and slow moving stock has also facilitated order planning and improved stock management.

By taking advantage of AGR’s advanced stock forecasting and improved inventory control, Otsuka anticipates achieving greater efficiencies by reducing its overall manual processes. Next on the horizon is a dedicated Materials Requirements Planning (MRP) project, using AGR to calculate the exact quantity of tablets that need to be manufactured from Otsuka’s Japanese headquarters, a step forward that Otsuka believes will release further time and cost savings all round.

www.agrinventory.com



Inventory Optimiser

AGR is a supply-chain planning specialist offering solutions that optimise the flow of goods throughout the supply chain for distribution, retail and manufacturing companies. AGR’s main solution, the Inventory Optimiser, is a solution that increases profits by eliminating unnecessary costs from the supply chain. It uses raw data from any ERP system and automatically selects the best-fitting forecasting method to estimate future demand.