



Customer: Parlogis
Location: Reykjavik, Iceland
Industry: Pharmaceutical
Software: MS Dynamics AX & Inventory Optimiser

Company Profile

Parlogis handles approximately 14.000 active articles from 500 suppliers of medicine, healthcare products, research material, chemicals, vitamin, cosmetics and consumer goods in a 4000 m² warehouse.

Challenges

- Too high inventory levels.
- Many resources involved in manual work related to replenishment.
- Replenish the stock according to sales fluctuations.

Solutions

- Simulation created to demonstrate potential advantages.
- Reduced Inventory levels without reducing sales.
- Workflows disciplined and coordinated.
- Best fit forecasting to catch seasonal trends in sales history.



AGR Dynamics is a supply chain planning specialist offering solutions that optimise the flow of goods throughout the supply chain for distribution, retail and manufacturing companies. The AGR solution 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.

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Increased accuracy in the Pharmaceutical industry

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Geir Gunnlaugsson, Manger Logistics Services, Parlogis

Parlogis is a leading logistic service provider for the Icelandic healthcare- and research sector. The company offers a wide range of logistic services such as stock management, procurement, import, custom clearance, storage, labeling, order taking, picking, distribution, invoicing and collections. Parlogis offers daily distribution to pharmacies, hospitals, healthcare centers, supermarkets, laboratories, specialists and other buyers. Total number of buyers is around 2.000 a year and the number of orders a day is around 450. Parlogis has an experienced and specialised work force of 57 employees that can manage a high portion of the supply-chain and the extensive flow of information, goods and money.



Business needs

Parlogis is handling approximately 14.000 active articles from 500 suppliers of medicine, healthcare products, research material, chemicals, vitamin, cosmetics and consumer goods in a 4000 m² well equipped warehouse in Reykjavik. Managing such a large number of articles was becoming challenging and stock levels were constantly growing in order to service commitments.

Parlogis uses Dynamics AX as their ERP system. Although rich in functionality the requirement from Parlogis was to implement a tried and tested, best practice solution in the field of demand planning and replenishment. “After reviewing several options, we decided to do a simulation exercise with AGR Dynamics allowing us to explore two major advantages; how the system would perform in real life situation and to calculate the potential ROI from implementing the solution.” Says Geir Gunnlaugsson, Logistics Services Manager.

Results

“We were quite surprised by the results from the simulation. As Parlogis is a logistic service company, we considered ourselves to be experts in stock control. However the simulation proved that there was room for improvements both with regards to inventory level and reduction in stock-outs. After viewing the simulation results we were certain that we needed to buy this solution.” Geir continues. “We have now been working with AGR for over two years and since the beginning we have even exceeded initial estimates by further tuning the AGR solution to our specific business needs.