

Distribution Footprint Optimisation For Pharma Company



ABOUT THE CLIENT



- Indian Pharmaceutical company operating through 21 CFAs & catering to 3000+stockiest
- 2.5 Mn of throughput volume handled through 10+ logistics provider with 20 Mn in spends
- Products dealt under Skin care, Cosme Care, Pharma and Cardiology & Diabetic therapies



BUSINESS OBJECTIVE

To develop a model and a framework which

- Shows cost and revenue equations of current CFA footprint
- Allows to incorporate various business considerations
- Indicates financial impact of different possibilities

BUSINESS CHALLENGES

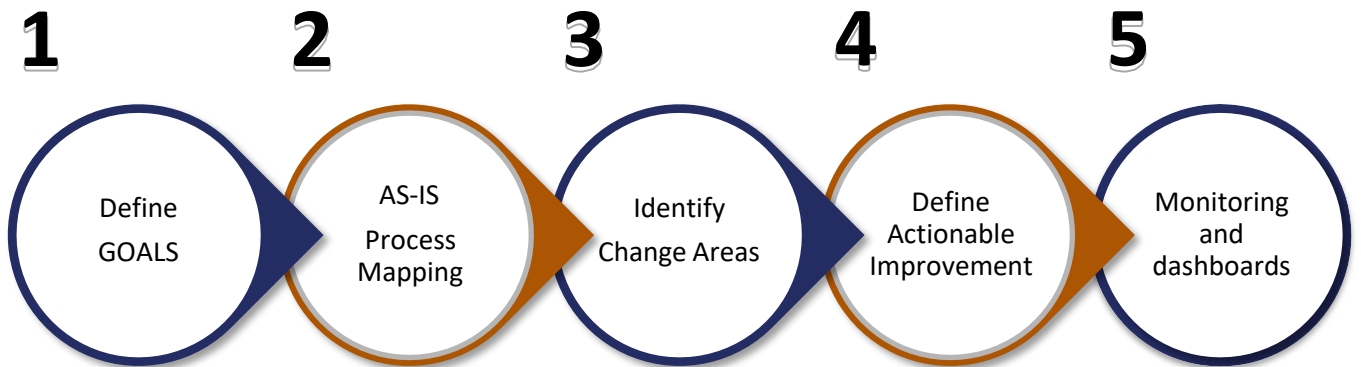
- Varied freight rates to service the same CFAs
- Poor quality of service as significant area coverage by certain CFAs
- Lack of review of sourcing pattern visa bis freight cost
- Inefficient analysis Potential demand vs share of revenue vs stockiest served

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DISTRIBUTION FOOTPRINT OPTIMIZATION

Approach



Define GOALS

- Identify the **specific quantified GOALS** of problem statement that turn into deliverables
- Alignment of GOALS** with the process owners

AS-IS Process Mapping

- Review of historical data to corroborate perception of management with reality
- Review of data robustness & underlying process
- Pictorial process mapping with gaps

Change Areas

- Presenting to management the reality vs expected process
- Charting out areas that require improvements
- Aligning with process owners on change areas

Improvement

Actionable



- Step by Step detailing of actionable for each agreed change area
- Each actionable clearly states responsibility, TAT and dependencies, if any
- Mapping of GOALS addressed through each actionable

Factors governing choice of Footprint



- Developed quantitative and qualitative factors that impact the choice of footprint
- Iterative calculation of cost impact

BUSINESS IMPACT & VALUE CREATION



Distribution Footprint Optimization



- 1 Designed tool for assessment of demand, distribution need and competitive scenario
- 2 Recommended footprint changes such as addition of CFAs/ sourcing locations nearer to select CFAs
- 3 Recommended revisiting of freight rates and terms for a specific CFA location
- 4 Developed standardized forms for CFA onboarding, performance evaluation & service measurement
- 5 Concept of super stockiest for select location introduced basis data driven insights

ABOUT US

Headquartered in Gurgaon, Valueonshore Advisors is a specialized professional service firm managed by the Big 4 alumni and industry executives. Our portfolio includes multi-billion-dollar companies, mid-cap public, and pre-IPO companies that range from late stage to early stage. We are a trusted, preferred partner for various multinational and Indian clients who engage us for our functional expertise, industry knowledge, and for our objective solutions for complex problems.

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