

**CASE STUDY** 

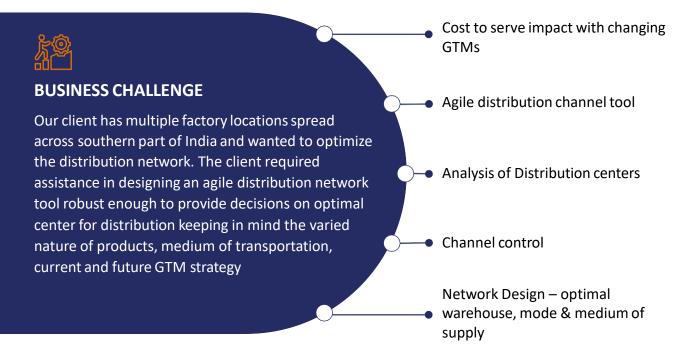
# **Distribution Channel Optimisation For MedTech Company**



#### **ABOUT THE CLIENT**



Our client is a private equity-backed global medical devices company. The client with 3 manufacturing facility spread in southern states of India, sells a broad range of medical devices and consumable products (81 SKUs) including wound closure products, minimally invasive products through 19 CFAs across 18 States with manufacturing facilities.



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## DISTRIBUTION NETWORK OPTIMIZATION



## Our Approach

#### **AS-IS Mapping**

- Development of an 'AS-IS' questionnaire & data templates
- Retrieve historical data on
  - Route to market model, ship-to addresses,
  - Origins of shipments, carriers used, and costs
  - Warehouse data size, capacity, fixed/ variable costs, etc.
- Data check in terms of consistency, completeness and quality
- Align with process owner on the understanding and data completeness



#### **Design and Testing**

- · Chart out the various scenarios of distribution
  - Factories to its distribution centers (1st leg, fixed delivery cost),
  - Between distribution centers, and
  - From distribution centers to end customers (2nd leg, distance-based costs)
- Mapping of demand, frequency of orders and quantity, service levels
- Design the TOOL with current footprint/ volumes and setting up parameters (FTL/PTL/Costs/ truck capacity/ constraints) to test scenarios
- Extend the TOOL for all the scenarios using metrics like Estimated lead time (ELT) by products and orders, Number of vehicles used for transportation, Vehicle utilization rates
- Evaluate the distribution network in terms of footprint, operational costs & logistics performance

#### Robustness of the distribution tool

- Re-run the scenarios in the TOOL along with process owner's requirements and GTM
- Assess the impact of changing the business parameters on the operational costs & logistics performance
- Calibration of simulation model with real-life figures
- Develop step by step process on "HOW TO USE" the tool including assumptions, input parameters etc.,
- Sign off from the process owner on the robustness and agility of the TOOL





### **BUSINESS IMPACT & VALUE CREATION**



#### **Distribution Optimization**



- 1 Distribution tool that supported decision making by evaluating cost to serve and impact on service
- 2 Illustration of existing and potential future network design
- 3 Scenario generation and evaluation based on user defined parameters and interdependent variables
- Center of gravity analysis based on volume and distance from point of distribution
- Potential to build on existing tool and scale to meet business complexities

#### **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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