



Leaving the Legacy

How the switch to informed applications saved more than just money for three pharmaceutical manufacturers



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Introduction

The Trouble with Legacy Platforms

With IntegriChain, pharmaceutical manufacturers of all sizes are able to tackle the challenges of their demand network without operational constraint or data limitations. Through the use of informed applications putting channel data at the point of action, our customers have been able to transform the way they do business with their trade partners. They have lowered their total cost of ownership with a flexible and robust solution suite and have exchanged heavy data manipulation and manual tasks for the intelligent automation that enables greater trade partner collaboration.

Over time, the drawbacks of these platforms have become all too painfully apparent.

Whether home-grown or off-the-shelf, they often involve:

- Little turn-key flexibility
- Limited and constrained functionality
- Too much added manual cost in spinning data adequately despite system investments



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Many manufacturers have found that if they want to proactively collaborate with buyers in the channel, they need a superior alternative to constrained legacy platforms and complicated spreadsheet models. They need critical channel data to be available at the point of decision embedded into their daily business processes as part of its workflow.

Here are a few of their stories.

Case Study 1

One customer, a leading global pharmaceutical manufacturer, was recently faced with this very situation. Over time it had cobbled together several disparate systems to handle channel data management, distribution agreement scorecarding, and order management. Beyond the obvious inefficiencies of handling these interconnected areas in separate ways, the use of channel data for informed decision-making was extremely limited outside of order and agreement management. This meant there was little return on investment in data. And with data moving back and forth within three siloed areas and no true end-to-end solution, there was a high risk of error in agreement and order management.



“In addition, the customer has been able to realize an ongoing annual system and IT savings of \$500,000.”

This manufacturer chose to consolidate these three areas under one holistic solution, IntegriChain. IntegriChain’s informed applications filled in critical master data and visibility gaps, putting actionable information alongside daily business processes in key areas, like order management. As a result, in the first two weeks alone post go-live, IntegriChain enabled the customer to **process more than \$690 million in orders with zero errors**. In addition, the customer has been able to realize an ongoing **annual system and IT savings of \$500,000** on top of the **reduction in error risk** achieved by eliminating manual data hand-offs between systems. The customer was also able to implement a new process for stock-outs in the channel, **improving service level above 99% and essentially growing the business a full 1%**.

Case Study 2

Another leading pharmaceutical company found that switching from an operationally inflexible legacy platform to IntegriChain enabled the National Account Managers (NAMs) to more closely engage with inventory at the distribution center level. This became possible because exceptions were surfaced to the NAMs instead of being buried within canned reports. Previously they couldn't sort through all the noise to find the critical information they needed. As a result, the NAM team was able to change its business process and compensation model to be truly data driven for the buyer relationship.



New intelligence around key pharmacies and product availability provided by IntegriChain helped several brand teams to add new tools to the field sales team's arsenal, **helping to combat lost sales by ensuring product availability in the pharmacy**. In addition, newly gained visibility into retail inventory, which was previously unavailable in the legacy system, helped them understand seasonal products better, especially build/burn cycles, **making it possible to improve forecast accuracy**.

Case Study 3

One mid-market pharmaceutical customer, who was using an off-the shelf system for forecasting and demand visibility, faced serious limitations into the downstream channel's inventories, particularly retail inventory. As a result of implementing IntegriChain's Demand Visibility suite, this customer was able to significantly improve the accuracy of its reserve management and forecasting process, **reducing its returns reserve by \$30 million.**

"This customer was able to significantly improve the accuracy of its reserve management, **reducing its returns reserve by \$30 million."**



The customer was also able to manage the risk of out of stocks down to individual distribution centers, **accounting and controlling for 50% of forecast errors and significantly improving forecast accuracy**. In the past this would have been too time-consuming.

In addition, two full-time equivalents were freed up from manual reporting and data manipulation to actually **use the data to interact with buyers** and **reduce the risk of stock-outs**.

Over time this customer hopes to further reduce demand variability, improve service level, and meet goals for inventory levels in the channel.

Conclusion

With IntegriChain, pharmaceutical manufacturers of all sizes are able to tackle the challenges of their demand network without operational constraint or data limitations. Through the use of informed applications putting channel data at the point of action, our customers have been able to transform the way they do business with their trade partners. They have lowered their total cost of ownership with a flexible and robust solution suite and have exchanged heavy data manipulation and manual tasks for the intelligent automation that enables greater trade partner collaboration.

IntegriChain is the leading channel management cloud used by suppliers to manage relationships, inventories, and orders across retailers, e-tailers, and distributors. As a suite of informed applications built on top of channel inventory and point-of-sale (POS) data, IntegriChain helps to control the high cost of product distribution while improving product availability. Learn more at www.integrichain.com.