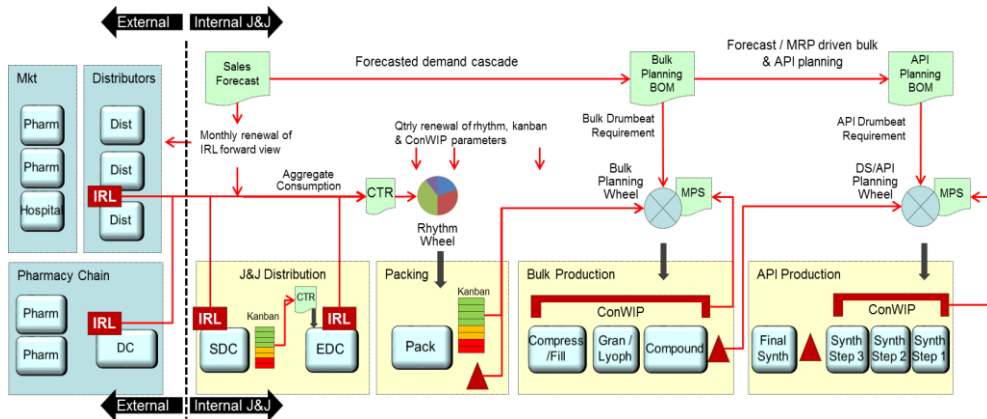


# Pharma VMI – Operating Model Design



## Client Context

- The client, a multi-divisional Pharma company, is seeking to improve global supply chain performance through enhanced planning.
- The client is looking to establish a break-through combining VMI with a demand pull model.
- The supply chain planning and execution model comprised a number of break-through concepts:
  - Vendor Managed Inventory
  - Demand pull using aggregate IRL and CTR
  - Multi-echelon demand cascade, using Planning Bills and linked to Drum Beat concepts
  - Use of Rhythm Wheel for packing and Kanban and Conwip concepts for scheduling.
  - New Alerts process to replace / eliminate classic 'mrp' exceptions processes.

## Approach:

- First step was to rapidly understand the project context and establish the basis of existing thinking.
- Second step was to translate a set of existing ideas into a concept and set of future operating principles for the new supply chain model.
- This was further refined with the client project team and detail added through the development of the key concepts and evaluation of a series of supply variants and exceptions.
- Additionally, an outline plan and resource estimate for delivering the change was developed, to feed the planning and budget setting for the strategic plan.
- The client subsequently moved into a phased build and deployment process, seeking to develop in a step wise manner from their existing planning and execution solutions.

CTR - Line 1, Rhythm Day 1		
Seq No	SKU	Make Qty
1	A	1500 MAKE
2	B	420 SKIP
3	C	1600 MAKE
4	D	780
5	E	900
6	F	480
7	G	1500
8	H	MTO 0
9	I	350
10	J	150
11	K	15
12	L	0
Total CTR Qty		7695
Min Make Qty		600
Ave RT Demand		15250

Typical Line 1 CTR for days 1, 2 and 3

CTR - Line 1, Rhythm Day 2		
Seq No	SKU	Make Qty
1	D	950 MAKE
2	E	1200 MAKE
3	F	580 MAKE
4	G	1870
5	H	MTO 0
6	I	725
7	J	400
8	K	120
9	L	50
10	A	370
11	B	95
12	C	400
Total CTR Qty		6760
Min Make Qty		600
Ave RT Demand		15250

CTR - Line 1, Rhythm Day 3		
Seq No	SKU	Make Qty
1	G	2800 MAKE
2	H	MTO 0 SKIP
3	I	1200 MAKE
4	J	640
5	K	200
6	L	120
7	A	750
8	B	170
9	C	780
10	D	190
11	E	280
12	F	110
Total CTR Qty		7240
Min Make Qty		600
Ave RT Demand		15250

