



eXensys Micro Vertical Solution

Micro-Vertical – Health Care Products

Agenda

Industry Overview

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Key Processes 'n' Challenges

eXensys Best Practices

Business Performance Sustained

Industry Overview

Micro-Vertical – Health Care Products

Traders in the Health Care industry deal with a wide arena of products. Primarily it can be segmented as Personal Care, Baby Care, Food Supplements and OTC medicinal products. Organizations trading health care products often face occult business problems viz. Poor cash flow, In-efficient logistics, Credit Management and buffering inventories. With attractive margin levels, this industry

Primary Health Care Products Include:

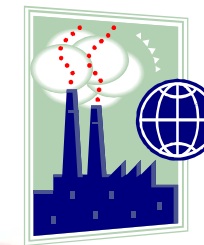
- Hair Care,
- Oral Care,
- Eye Care,
- Personal Wash,
- Skin Care and Cosmetics,
- Feminine Hygiene
- Food Supplements
- OTC Medical Products



Industry Characteristics

Micro-Vertical – Health Care Products

1. Generally handled by large scale Enterprises. Innovative SMEs also capturing significant market share.
2. Global personal care brands control the major market share.
3. Medicines produced from the manufacturer needs to reach the end consumers, retail markets and hospitals through a proper supply chain.
5. Linking all major Health Care Manufacturers, Retailers, Suppliers and Hospitals
6. Provide hassle free Operations.



Manufacturer



Suppliers



Organization



Retailers

Key Processes 'n' Challenges

Micro-Vertical – Health Care Products

Key Processes

1. Demand Planning based on Forecasting .
2. Purchasing and Receiving
3. Warehousing and Inventory Management
4. Distribution and supply chain management
5. Reverse Logistics of Expired Goods.
6. Replenishment.
7. Finance Management & Resource Management
8. Quality Control Management

Pain Areas / Challenges

1. Improper Demand Forecasting
2. Poor Cash Flow
3. Trapped Capital in Buffered Inventory.
4. Management of Consignment Sales
5. Poor Logistics and Reverse Logistics of Expired products.



Pain Area - 1

Improper Demand Forecasting (Leading to blocked cash in buffer inventory, and carrying cost for the same)

Reason ?

- a) Lack of Demand Visibility from the Retailers
- b) Bull-Whip Effect on the demand quantum, leading to speculative inventory levels.

eXensys Solution

- ✓ Demand Forecasting at the lower/lowest organizational entities, consolidated demand at the various hierarchy of the distribution.
- ✓ Actual Demand identification at the retailers, helps forecasting demand reducing the Bull-Whip effect significantly.

Pain Area - 2

Poor Cash Flow

Reason ?

- a) Cash Blocked in non-planned stock, piled.
- b) Poor Credit Management.
- c) Improper Procurement Planning.

eXensys Solution

- ✓ Maintaining appropriate inventory levels, through the Replenishment Planning, Procurement planning based on Demand Forecasting
- ✓ Helps keeping strict credit monitoring and control, for individual customers and customer types/groups. Credit monitoring and control is also available for the Sales Region.
- ✓ Efficient procurement planning ensuring minimum level of the desired stock. Thus reducing the capital blocked in the excessive inventory.

Pain Area - 3

Capital Trapped in Buffer Inventory.

Reason ?

- a) Buffering inventory in anticipation of the customer demand.
- b) Inability to manage the drop-ships from vendor to the customers.
- c) Improper Inventory Planning.

eXensys Solution

eXensys ERP supports the direct drop-shipment from the vendor's location to the customer, emanating the transit storage at the organization warehouses. This makes the cash flow faster and reduces the Inventory carrying costs.

- ✓ Effective Inventory planning, with proper replenishment strategies (ROL, Min/Max, Ordering Methodologies viz.) reduces the inventory carrying cost and ordering costs.
- ✓ Back Ordering process helps users to directly route actual demands for immediate sourcing, hence reduces inventory piling.

Pain Area - 4

Management of Consignment Sales

Reason ?

- a) Lack of tracking actual retail sales (sales at retail stores) of consignment goods, in a manual environment, leads to huge revenue loss.
- b) Failing to manage the consignment stock movements between the organization warehouse to the customer warehouse.
- c) Invoice In-accuracy.

eXensys Solution

- ✓ eXensys Consignment Management tracks the actual sales of consignment goods through Consignment Issue. The same leads to absolute invoice accuracy, ceasing major revenue leakage.
- ✓ eXensys Consignment Management tracks the stock movement from the Organization WH to the Customer WH, ensuring absolute consistency of stock.
- ✓ It provides complete view of the consignment stock at various customer locations. This helps the organization to plan further the movement of the stocks, bringing optimization of inventory usage.

Pain Area - 5

Poor Logistics

Reason ?

- a) Manual logistics planning and execution leading to delivery in-accuracies.
- b) Lack of logistics tracking and monitoring leads to theft, fraud and customer dis-satisfaction.
- c) Lack of real time logistics information, holds the organization back from effective customer service.

eXensys Solution

✓ eXensys SCM's Logistics Planning system (integrated to Order Management system) helps organizations to plan all their movements, with optimum utilization of resources (transportation resources), thus ensures high level of delivery accuracies.

- Delivery Accuracy: Right Time, Right Place and Right Quantity)

✓ POD (Proof of Delivery) and DEPS(Damage, Extra, Pilferage and Shortage) features of eXensys SCM, protects organization form fraud and leads to improved customer satisfaction, through delivery accuracies.

✓ Organizations now can provide real time information, in advance, about the goods dispatched to them. This leads to higher customer satisfaction levels.

eXensys Best Practices

Micro-Vertical – Health Care Products

Pain Area - 6

Managing Reverse Logistics of Expired Goods.

Reason ?

- a. Lack of initiation and proper planning of reverse logistics of Expired products.
- b. Expiry Return and Logistics acting without co-ordination.
- c. Manual planning for reverse logistics leads to non-optimized usage of logistics assets, generating additional expenses for the organization.
- d. Expired stock blocks customer's cash into it and additionally creates carrying cost. This leads to customer dis-satisfaction.

eXensys Solution

- ✓ eXensys SCM's Logistics Planning and Execution system, ensures effective movement of Expired goods from the customer locations to the organization.
- ✓ With its tight integration with the Sales Return Management system, binds the RMA and Logistics dept. together to plan coherently.
- ✓ eXensys SCM's Logistics Planning system ensures the optimum usage of the transportation resources, thus helps reducing the logistics cost.

Pain Area - 7

Strategic Decision making on core business Processes

Reason ?

- a) Accurate Information not available.
- b) Unable to take Strategic decisions due to non availability of data from a single point of source.
- c) Not having the right kind of Tools to quantify the input vs. output.

eXensys Solution

- ✓ Analytics tool helps to take strategic decisions.
- ✓ KPI's , Measure helps to identify the current performance and helps to forecast the future.
- ✓ Accurate and precise information available across the departments based on hierarchy

