



Reducing Planning Cycle Time at Bristol-Myers Squibb

A major acquisition left Bristol-Myers Squibb with a need to consolidate its manufacturing network and reduce costs. By implementing i2 solutions, Bristol-Myers Squibb has dramatically reduced its planning cycle time, facilitated intra-enterprise collaboration, and improved customer service.

Not only must pharmaceutical companies understand their competition, economic pressures, and the changing patient needs that result in fluctuating demand, they must also anticipate sudden changes that can upset carefully made operational plans. An outbreak can suddenly spike demand. Allocation of supply may need to be altered, transportation adjusted in transit, manufacturing ramped, and allocations of supply changed.

Doing business in almost 200 countries, Bristol-Myers Squibb understands the complexities of its industry.

The company has a fully integrated value chain—moving from bulk chemicals to finished pharmaceutical products. A major acquisition left the company with a need to consolidate its manufacturing network and drive costs lower to better compete in the pharmaceuticals and healthcare market. Once Bristol-Myers Squibb realized cost savings, it redirected that capital into research and development and marketing.

As these changes were taking place, the company sought to grow its business while also driving down costs through decreased inventory and shorter planning cycle times.



Bristol-Myers Squibb

Challenges

- Redirect capital into research and development and marketing by reducing costs
- Better compete in the pharmaceuticals and healthcare market by consolidating manufacturing network
- Grow business while decreasing inventory and planning cycle time

Solutions

- Perform “what-if” scenarios
- Evolve from monthly to weekly planning
- Consolidate manufacturing and distribution networks into a unified virtual plan

Results

- Reduced planning cycle time from months to a few hours
- Decreased inventory
- Increased profitability

Company Description

Bristol-Myers Squibb is a diversified health and personal care company with principal businesses in medicine, beauty care, nutritional, and medical devices. The company's revenue exceeds \$21 billion—with about 37 percent of sales coming from outside the United States.

“Through the i2 products, we’ve been able to improve our customer service — but do it cost-effectively with less inventories and with more products. And as we continue to do that, it translates to cost-effectiveness and increased revenue.”

***— Mark Douglas
Director of Enterprise Resource
Planning and Materials***



Bristol-Myers Squibb



Why i2?

To help tackle these business challenges, Bristol-Myers Squibb chose i2 Supply Chain Planner,[™] part of i2 Supply Chain Management[™] (SCM).

i2 solutions for the pharmaceuticals industry are flexible, intuitive, and powerful, delivering all the necessary components to help companies increase their productivity and profitability.

With i2 solutions for value chain management, pharmaceuticals companies can collaborate on demand, gain forecast consensus, optimize the manufacturing supply chain, and minimize transportation costs, all while improving on-time delivery performance and predictability.

“i2 has been on the leading edge and is very innovative in its solution offerings,” said Rob Squires, Bristol-Myers Squibb’s Director of Supply Chain. “When we looked at a supply chain planning solution, i2 was the first to come to mind. It has the leading product on the market.”

“Our planning cycle time was two to three months, and it has come down to a few hours,” Squires said. “Through reducing our planning cycle time, we’ve been able to reduce our inventories, and we’ve been able to reduce the overall effort that it takes to do the plans. We free people up from clerical spreadsheet-type planning to be able to really think about the business and do scenarios and ‘what-if’ planning to really enhance the profitability and growth potential of these products.”

i2’s Contribution

Using Supply Chain Planner, Bristol-Myers Squibb can now treat all of its manufacturing and distribution networks as one virtual plan. i2 solutions have also enabled the company to perform “what-if” scenarios.

“We’re using i2 on a weekly basis,” Squires said. “We originally had a monthly planning process. We’ve been able to bring that down to a consolidated weekly planning process. We simultaneously balance capacity, balance the supply and demand, and feed that information back to our plant so they can then execute the plan. It’s also enhanced communication where everybody has the visibility of the entire network all in one solution.”

i2 solutions have driven significant—and necessary—changes within Bristol-Myers Squibb’s manufacturing and distribution facilities.

“Through Supply Chain Planner, they’ve had to change the way in which they operate so that they’re now part of a team,” Squires said. “They’re collectively determining what needs to be produced to meet customer requirements, not just their own interests.”

Bristol-Myers Squibb’s Results

Since implementing Supply Chain Planner, Bristol-Myers Squibb has dramatically reduced its planning cycle time—which has had a ripple effect on the rest of the pharmaceutical manufacturer’s business processes.

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In addition to performing planning functions, Supply Chain Planner has also helped Bristol-Myers Squibb tackle customer satisfaction issues.

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Supply Chain Planner has also facilitated intra-enterprise collaboration. That collaboration is much more productive now that Bristol-Myers Squibb's planners have confidence in the data supplied by Supply Chain Planner.

"The i2 solutions provide us with information that is current, that is constrained, and that is visible to everyone who really needs that information and needs it quickly," Squires said. "It's allowed us to provide collaboration so people can talk about issues and talk about solutions, all looking from the same data that they can rely on and believe in. In the past, data was not always timely, so much of the effort was debating whether the data was even accurate



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