

“Demand Planner and Supply Chain Planner allow us to maintain balance in our supply chain. Maximum production capacity, in terms of the stocking and supplying of our products to our customers, is achieved, while ensuring that we have also adequately prepared for our customers’ future needs.”

—Klas Arildsson, Vice President, Global Supply, **Gambro AB**

Meeting Customer Demand at Gambro

Gambro AB is recognized within the healthcare industry as a leading innovator in renal care products, often first to market with many new innovations and services. As a world-class marketer, it found itself faced with several challenges associated with delivering its product offerings on a global scale – throughout 28 countries.

With most of its competitors essentially offering the same line of products, Gambro recognized that it had to not only create a strong brand for its products, it also had to be more innovative than the competition. And, for Gambro, staying competitive also meant improving its value chain management operations.

Gambro executives realized that they needed to streamline inventory supply levels and increase on-time deliveries to maintain customer satisfaction.

“We started looking into the supply chain because we realized our stock levels were too high, our delivery reliability was low, and we were spending too much trying to manage both,” said Klas Arildsson, Gambro’s Vice President, Global Supply. “The marketplace is changing more and more rapidly, and we have to follow our customers and what they want.”

Why i2?

After looking at several different supply chain software providers, Gambro AB chose i2 solutions.

i2 customizes solutions for the pharmaceuticals industry, making them flexible, intuitive, and dynamic, delivering all the necessary components to help companies increase their productivity and profitability.

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

“None of the other supply chain software providers gave us the confidence that i2 did,” Arildsson said. “i2’s customer references and the availability of the product made the difference.”

Industry

Pharmaceuticals

i2 Solution

i2 Supply Chain Management

i2 Success Story **#198**



Challenges

- Increase on-time delivery
- Create a “produce what we sell” business model by reducing inventory
- Stay ahead of changes in marketplace

Solutions

- Optimize manufacturing and supply
- Develop monthly sales forecasts
- Improve on-time delivery and enhance customer contact

Results

- Reduced inventory levels by 40%
- Went from 52 warehouses to 4 distribution centers and 2 satellite facilities
- Increased on-time delivery by 30%

Headquartered in Lund, Sweden, **Gambro AB** is a leading medical technology and healthcare company with revenues in excess of US\$922 million. With sales operations in 28 countries, Gambro is the globally preferred partner among patients and healthcare providers, delivering world-class blood- and cell-based products, solutions, and services.



“We went from 52 warehouses in Europe down to four distribution centers and two satellites,” Arildsson said. “Now we make better business decisions because we have all the facts regarding our inventory – we know what the forecast is and how the market is developing. This allows us to take the appropriate action, one that’s better for us and for our customers.”

i2’s Contribution

Gambro implemented i2 Demand Planner™ and i2 Supply Chain Planner™ from the i2 Supply Chain Management™ suite of solutions.

Demand Planner enables Gambro to accurately create forecasts each month, giving the company the ability to effectively manage inventory levels. With Supply Chain Planner, Gambro can make accurate decisions regarding production volume needs in order to meet the on-time delivery requirements of its customers.

“Demand Planner and Supply Chain Planner allow us to maintain balance in our supply chain,” Arildsson said. “Maximum production capacity is achieved, while ensuring that we have also adequately prepared for our customers’ future needs.”

i2 solutions enable Gambro to manage the unique complexities of its wide array of renal products, in four distinct product groups.

“With four product groups, the complexity is to get the product out to the customer on time while maintaining a stock level that isn’t too high,” Arildsson said.

Gambro’s Results

Using Demand Planner and Supply Chain Planner, Gambro has been able to successfully integrate its various systems, enabling the company to significantly reduce inventory.

“When we started this process, we were using 27 different IT systems,” Arildsson said. “Today, we have five. i2’s systems have not only been implemented successfully, they’ve helped us consolidate our supply chain management processes.”

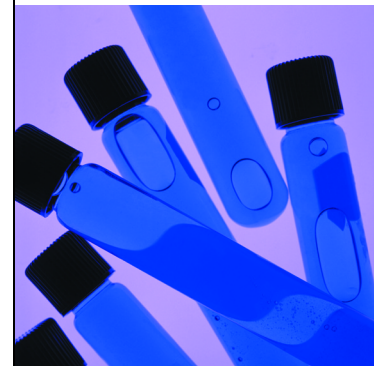
That consolidation has resulted in an inventory reduction of more than 40 percent, a decrease in overall logistical costs related to inventory, and an increase of 30 percent in on-time deliveries.

“Cutting our inventory, including overall costs in supporting that inventory, has enabled Gambro to focus more on the customer, letting us produce what we sell, instead of selling what we produce,” Arildsson said. “This has created a fundamental shift in the way we work that’s more positive and productive.”

i2 solutions have also enabled Gambro to dramatically streamline its warehousing and distribution centers.

“We went from 52 warehouses in Europe down to four distribution centers and two satellites,” Arildsson said. “Now we make better business decisions because we have all the facts regarding our inventory – we know what the forecast is and how the market is developing. This allows us to take the appropriate action, one that’s better for us and for our customers.”

Demand Planner and Supply Chain Planner are also enabling Gambro to add velocity and intelligence to its decision-making processes.



“Cutting our inventory, including overall costs in supporting that inventory, has enabled Gambro to focus more on the customer, letting us produce what we sell, instead of selling what we produce,” Arildsson said. “This has created a fundamental shift in the way we work that’s more positive and productive.”

i2 Success Story **#198**

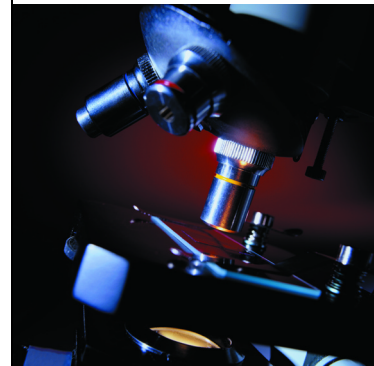
“i2 solutions help us to make faster business decisions based on facts,” Arildsson said. “We didn’t have that before. We know the market development. We know what we have in stock. We know what we need to produce. We have access to accurate figures every week.”

“Customer satisfaction is vital to our company,” Arildsson said. “It’s very important that we deliver to the customer on time – we want to be our customers’ preferred partner. i2 solutions are allowing us to add more value for customers.”

This increase in timely, intelligent supply chain data is leading to increased customer satisfaction levels at Gambro.

In addition, i2 solutions are giving Gambro the ability to adapt to shifting market dynamics.

“Our industry is moving from a push to a pull system,” Arildsson said. “When the marketplace tells us what to do, we’re now better prepared to be much faster in changing our internal alignment in order to adapt.”



One i2 Place
11701 Luna Road
Dallas, Texas 75234, USA
Phone 1.877.661.4896
Email info@i2.com
Web www.i2.com