



## Quarterly inventory optimization

### Higher service levels without increasing inventory

Having a quickly evolving business governed by large mergers and acquisitions and faced with highly uncertain supply processes, Allergan's commercial organization in Europe needed a professional inventory management process to improve capacity & stock utilization, increase efficiency and effectiveness of the central supply planning team in Ireland and improve customer service levels.

Following an initial inventory assessment, Planning Services is rebalancing Allergan safety stocks on a quarterly basis to achieve the best possible service levels. For 5 divisions, stock targets of approximately 2,200 SKUs in 14 stock locations across Europe are optimized.

#### **Differentiate policies using product categorization**

As part of the service, Allergan products are categorized after sales value and volatility. This categorization supports a controlled implementation of safety stock parameters and enables Allergan to adopt a differentiated air-sea freight policy. Adherence to strategic stock targets is monitored separately to ensure top-level goals are achieved in the best possible way.

As part of the PDCA cycle, Allergan and Planning Services have made steps to further streamline the data collection and assumption validation process to ensure the quarterly run is worry-free and requires minimal effort from Allergan planners. EyeOn has trained Allergan planners in inventory management allowing them to make the most value out of the rich quarterly analysis and optimization results.



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Planning Services provides reliable safety stock targets taking into account all relevant supply and demand characteristics. All important factors, like supply uncertainty, replenishment lead times and demand volatility are fully accounted for in the safety stock targets. Results show almost 7% service level improvement is within reach without raising stock levels.

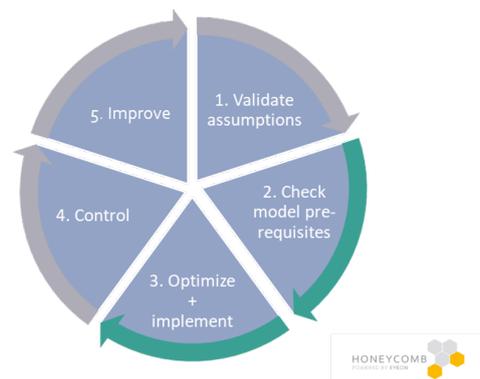
Apart from safety stock proposals, the interactive analysis report provides a large number of valuable insights among which the decomposition of inventory into cycle stock, safety stock and overstock; the stock health (analysis of slow- and non-moving products); and the impact of supplier performance issues on safety stocks. The report enables planners to keep the planning system up-to-date and achieve the best possible customer service.

## About Allergan

Allergan, headquartered in Dublin, Ireland, is a bold, global pharmaceutical company and a leader in a new industry model – Growth Pharma. Allergan is focused on developing, manufacturing and commercializing branded pharmaceuticals, devices and biologic products for patients around the world. Allergan markets a portfolio of leading brands and best-in-class products for the central nervous system, eye care, medical aesthetics and dermatology, gastroenterology, women’s health, urology and anti-infective therapeutic categories.

*“Together with EyeOn we achieved our optimized inventory and service level goals. EyeOn is the business partner to design a structured inventory management process and setting the optimized safety stock parameters. In a quarterly frequency we work collaboratively with EyeOn and fine-tune this process and optimized parameters based on Allergan specific aspects and changes in our volatile market.”*

**Tomas Dennehy**  
Supply Chain Management Allergan



## Why connecting to Planning Services?

By connecting to our services your planning performance gets an instant boost. We increase forecast accuracy and reduce bias, lower inventories and improve service levels. We enable planners and the organization to rapidly transform to the next planning level. And deliver clear insights to your specific planning needs, to shape your future planning capabilities at your own pace.

## How can we help you?

Lighten your load. Let us assist you with advanced forecasting, inventory optimization and end-to-end supply chain insights. Make use of our specialised planning and forecasting resources to get ahead.

## Interested?

You can contact us at [planningservices@eyeon.nl](mailto:planningservices@eyeon.nl) for more information or to make an appointment.

## EyeOn promise

We implement proven innovations to raise your forecasting and planning performance. We work in the most pragmatic way possible, based on our knowledge and experience in over hundred large, international companies. We develop and implement the best fit-for-purpose improvements with real impact.