

Case Study

Forecasting, Replenishment and Supply Planning



Blue Yonder is the Remedy for a Healthier Supply Chain

Results

- Increased supply chain visibility
- Improved operating efficiencies
- Improved production order planning
- Standardized and synchronized processes throughout organization


Real progress

“Implementing their solutions has provided Merck Serono with one synchronized view of demand,” **commented Head of Supply Chain Process, Merck Serono.** “Having only one demand data repository for the entire company allows us to easily follow an aligned process across the organization. Having only one application instance forces us to define clear rules in terms of forecast data availability and process. We now have timelines for data availability and for forecast submissions within the whole organization.”

Challenges:

- Merck Serono International S.A., the Geneva-based division of parent company Merck KGaA of Darmstadt, Germany, is a global pharmaceutical and biotechnology leader that is committed to bringing therapeutic innovations to patients. Merck Serono’s success is characterized by progressive therapies and treatments with pharmaceuticals and application-oriented research and development. As an industry leader in biotechnology, Merck Serono is focused on developing specific treatments that provide beneficial therapeutic outcomes in the areas of oncology, neuro-degenerative diseases, fertility, endocrinology and cardio-metabolic care, as well as auto-immune and inflammatory diseases.
- Merck Serono’s biggest challenge was the integration of two very different supply chains for traditional pharmaceuticals and biotechnology-based pharmaceuticals. The traditional pharmaceutical supply chain was locally driven with more of a pull concept with purchase orders moving from the affiliates to the manufacturing sites. The biotechnology supply chain was centrally managed with more of a push concept with automatic replenishments from the





manufacturing sites to affiliates. During the time of integration, another challenge was to ensure high customer-service levels that were aligned with Merck Serono’s “no stock-out” philosophy.

- The company also wanted to constrain distribution with planned production orders, which could take into account the capacity constraints, as well as availability of the materials of the products’ main components.
- In an effort to optimize business practices, Merck Serono needed improved forecasting accuracy and manufacturing planning support to drive efficiency, as well as limit inventories to increase cash flow.

Solutions

Merck Serono decided to create one centrally managed supply chain, based on the push principle and driven by Blue Yonder’s Luminare™ Planning and Luminare™ Logistics capabilities. Armed with leading-edge forecasting and replenishment capabilities to effectively manage its entire supply chain for the company’s network of manufacturing sites, distribution centers, distributors and logistics partners located worldwide, Merck Serono successfully transformed its supply chain operations and synchronized consumer demand across every channel. Merck Serono now has strategies in place for more accurate forecasts and optimized execution across dispersed production and distribution facilities.

“The flexibility that these solutions offer as an integration platform was one of the main reasons they were deployed for the entire Merck Serono network,” said Head of Supply Chain Process, Merck Serono.

Major benefits

Blue Yonder’s forecasting capabilities enabled Merck Serono to leverage forecasting methodologies across the enterprise. With improved forecasting, Merck Serono can better respond to shifts in demand, therefore driving high customer-satisfaction levels, minimizing inventory

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carrying costs and maximizing sales. Incorporating Blue Yonder’s replenishment capabilities allowed Merck Serono to position the right inventory in the right places at the right time, while ensuring that inventory is available across the entire company.

The flexible hierarchies and tracking features of supply planning help Merck Serono to synchronize its demand chains, leveraging an easy-to-use, web-based interface for users to view and create multiple versions of data streams and adjust data for specific products, customers, stakeholders and geographies.

Now, Merck Serono can efficiently manage production across multiple sites in order to accurately respond to fluctuating demand. Additionally, sourcing decisions and capacity planning are less of a challenge. Materials and products can efficiently flow throughout the supply chain network and can be optimally produced at the best facility.

Blue Yonder’s prolific solutions enable Merck Serono to create what-if scenarios and data integration allows them to quickly report changes throughout the entire supply chain organization. Having the ability to quickly analyze the impacts of changes in real time and being able to easily assess distribution-change requests, empowers Merck Serono to proactively manage demand volatility.

Why Blue Yonder

Merck Serono gained the valuable insight and knowledge it needed to drive real results while maximizing the return on its Blue Yonder investment. They achieved process compliance across all operations, seamless integration from planning to execution, increased shareholder value and improved operating efficiencies.

The complete automation of the data transfer from the various systems gives Merck Serono’s manufacturing users the assurance that they don’t miss any details, waste time checking data or spend time asking other supply chain stakeholders for information.



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