

SADDLE POINT TECHNOLOGIES

Cloud Based Integrated Supply Chain Planning and Optimization Suite

Building Operational Efficiency in Complex Supply Chains



Sampling Budget Optimization for Pharma Companies



Sampling Budget Optimizer

Pharma companies invest a large part of budget in drug samples with the objective of getting mindshare from the medical practitioner. However, the effectiveness of this type of promotions are very low as distribution of samples are not done using an objective decision-making tool. This results in spending money in allocating the wrong product to the wrong medical representative with the suboptimal quantity which then translates to a less than desired topline.

The Sampling Budget Optimizer solves this problem by optimally allocating samples across MRs by considering various parameters like sampling budget, productivity of the MR, productivity of the sales area, seasonality of usage, flat sampling for new products, min-max sampling slabs etc.

Objective of the Optimizer:

Allocate the right product in the right quantity to the MRs so that revenue is maximized thereby maximizing the returns of sampling budget.

Based on Constraints of:

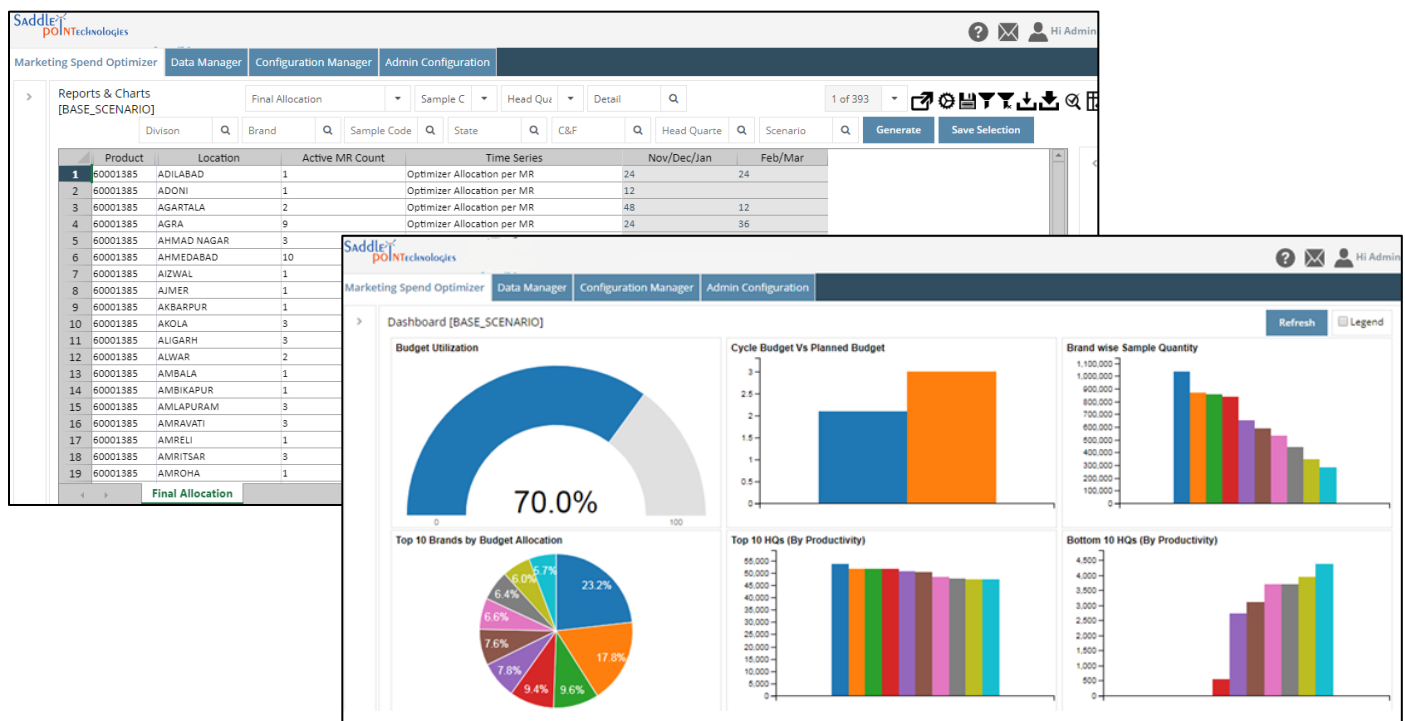
- Annual Sampling Budget
- Minimum & Maximum Productivity at different location levels
- Seasonal Indicators
- Flat Sampling for New Products
- Min. – Max. Sampling Slabs
- MR level Max and Min Requirements
- Product Category (Major, Rest, New)

A Case Study: Optimizing the Sampling budget of one of India's largest and fastest growing Pharmaceutical companies.

Free sampling was one of the major promotional activities that a leading pharmaceutical company with more than 8000 medical representatives in India used to carry out on a regular basis. Allocation of the samples were based on certain rules like Min-Max, Flat sampling etc. The returns that were being generated by the sampling spent in terms of revenue realization, was therefore low.

It was felt that by allocating the sampling budget optimally will give the most bang for the buck. To this effect, an MIP based optimizer was deployed with an easy to use spreadsheet like frontend. This was integrated with the HR system and the ERP system to minimize manual effort and reduce data errors.

Savings ranging from 6% to 33% were quickly realized across various divisions with an average savings of around 17% for the organization along with considerable savings in effort of planners in the sample planning process.



How can we help?

Saddle Point has extensive experience in helping companies reduce their supply chain costs by optimizing various aspects of their supply chains. It has an integrated suite of cloud based supply chain planning and optimization products that uses advanced Operations Research Techniques. Some of the features of the suite are

- **16 integrated modules that optimizes and digitizes planning processes across Sales, Distribution, Production and Procurement**
- **Caters to Strategic, Tactical and Operational levels of planning**
- **Extremely easy to use with spreadsheet like functionalities**
- **Cloud solution with a SaaS and On-premise offering**

<p>SCP Cloud Suite</p>  <p>Cloud based end-to-end integrated Supply Chain Planning and Optimization Suite with a SaaS offering.</p>	<p>Demand Planner</p>  <p>Collaborative Demand Planning with Forecasting, Promotions Planning, NPI and Sentiment Analysis modules.</p>	<p>Supply Chain Optimizer</p>  <p>Generate a low cost fulfillment plan by reducing supply chain costs like production, transportation, inventory and procurement .</p>	<p>Inventory Optimizer</p>  <p>Reduce inventory cost by determining optimal inventory levels based on SLAs, lead time and demand and supply variability.</p>
<p>Procurement Optimizer</p>  <p>Minimize total procurement cost across all vendors by considering volume discount and constraints like Lot size, MOQ, Min-Max quota</p>	<p>Production Planner</p>  <p>Generate capacity and material feasible production plans (Rule based Heuristics) or optimal production plans (Optimizer based)</p>	<p>Transportation Optimizer</p>  <p>Minimize total transportation cost by using fleet capacity efficiently, consolidating loads and better rake/truck requirement planning.</p>	<p>Production Scheduler</p>  <p>Create constrained production schedule with make span minimization based on job shop, flow shop and hybrid layout.</p>
<p>Vehicle Route Planner</p>  <p>Generate feasible and optimal routes based on constraints like delivery time windows, pickup or delivery, vehicle capacity etc.</p>	<p>Workforce Optimizer</p>  <p>Allocate workforce optimally to multiple projects based on resource costs, skill-set levels, learning curve, transition cost.</p>	<p>Shift Scheduler</p>  <p>Generate a feasible shift schedule by adhering to shift assignment rules like maximum consecutive night shifts, forbidden shifts etc.</p>	<p>Facilities Planner</p>  <p>Find the best location for a new plant or warehouse from a list of candidate locations that optimizes the supply chain.</p>