

INVENTORY OPTIMIZATION & PLANNING



In-depth analytics and life sciences expertise to optimize inventory levels and define policies to sustain them through a data-driven assessment

Medical device manufacturers must review the supply chain network whenever the business strategy changes or new markets open up, and when there's a merger or acquisition.

TYPICAL BUSINESS CHALLENGES

- Overstocking & stockouts
- Coping with data complexity
- Combining expertise in both analytics & life sciences
- Balancing service levels & inventory cost
- Determining optimal scenario
- Implementing new inventory strategy

DHL SOLUTION

For the on-time availability of medical devices at the point of use, this service helps achieve ideal inventory levels locally, regionally, and globally. It delivers applied analytics skills, life sciences logistics consulting, advanced IT planning and optimization tools, and an implementation roadmap.

SOLVING YOUR BUSINESS CHALLENGES

- ✓ **Overstocking & stockouts** – Inventory stocking policy at item (SKU) level; inventory positioning across a network of local, regional, and global distribution centers, and forward stocking locations
- ✓ **Coping with data complexity** – Consolidate multiple data sources into a central database for the purposes of optimization; accurate network flows
- ✓ **Combining expertise in both analytics & life sciences** – DHL experts provide applied analytics skills and capabilities along with unrivalled logistics consultancy knowledge and experience specific to the medical device supply chain
- ✓ **Balancing service levels & inventory cost** – Focused on inventory carrying cost and derivation of optimal safety and cycle stock levels across multi-echelon network nodes
- ✓ **Determining optimal scenario** – Evaluate best option among various network setup scenarios and inventory positioning options; also consider hard-to-quantify parameters; feasibility-impact analysis
- ✓ **Implementing new inventory strategy** – Implementation roadmap; define, manage, measure, and sustain change

SOLVING COMPLEX SUPPLY CHAIN CHALLENGES FOR MEDICAL DEVICE MANUFACTURERS

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KEY BENEFITS FOR YOUR BUSINESS



ROADMAP

Turns analysis into real operations aligned with business priorities

PEACE OF MIND

Rely on DHL's extensive consulting and analytics expertise



PRODUCTIVITY

Reduced handling with same on-time availability of medical devices



FINANCIAL

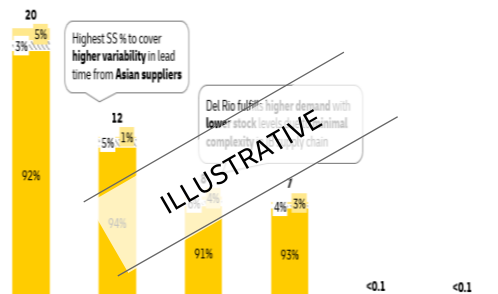
Inventory cost optimized network with lower working capital and storage cost and reduced lost sales



Sample Deliverables



Optimal Inventory Levels

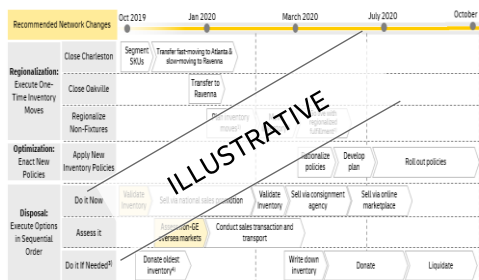


Scenario Assessment



Option	Do Nothing: Hold Inventory	Sales Promotion	Consignment	Online Marketplace
Description	Remain as-is	Sell product to existing customers by bundling or discounting	Change agency to sell excess inventory for a fee	Sell directly to consumers via marketplace websites (Amazon, Alibaba, eBay)
% Value Recovered ¹	-2%	51%	55%	91% ²
Revenue		3.7	27.4	31.1
Cost		1.8	1.6	1.8
Cash Impact at 100%		0.8	25.2	0.8
Taxes ³				
Opportunity Cost	-0.00	0.17		
Total		0.88	0.04	0.35

Implementation Roadmap



ILLUSTRATIVE