

Swiss Pharma Leader Accurately Predicts Demand while Reducing Inventory and Handling Costs

Actelion Pharmaceuticals relies on Aspen Collaborative Demand Manager to ensure 100 percent supply of commercial and clinical products for their customers.

A biopharmaceutical company headquartered in Allschwil/Basel, Switzerland, Actelion is focused on the discovery, development, and commercialization of synthetic, small-molecule drugs as innovative treatments to serve unmet medical needs. Subsidiaries provide distribution, sales, and marketing services in more than 25 countries.

Actelion needed the ability to provide a more accurate forecast to a large number of stakeholders enterprise-wide. Extensive outsourcing of both manufacturing and local distribution added to the complexity. Classical ERP processes proved inadequate and their existing Excel environment was unstable, leading to significant manual effort and risk.

With a goal of ensuring 100 percent supply of products to customers, Actelion had to improve their responsiveness to customer requests. By using Aspen Collaborative Demand Manager to automate their initial forecast and re-direct their efforts to management by exception, Actelion is now able to provide accurate and reliable responses to customer requests and reduce the number of lost sales opportunities.

“Actelion can now quickly obtain reliable product availability information and experiences fewer lost sales opportunities.”

—J.-Ch. Amoux, Actelion Pharmaceuticals

Customer Profile

Actelion Pharmaceuticals
Biopharmaceutical Company

Challenge:

Provide a more accurate forecast to stakeholders and improve responsiveness to customer requests

Best Practice:

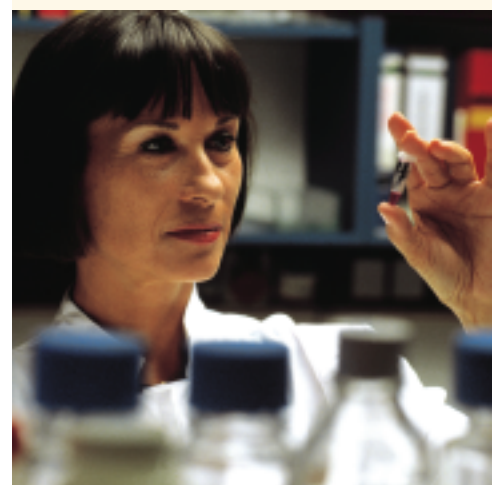
Predict demand considering history, events, and collaboration from stakeholders.

Solution:

Aspen Collaborative Demand Manager predicts demand for commercial and clinical products enterprise-wide

Benefits:

- Improve product mix
- Reduce inventory carrying and handling costs
- Reduce the amount of data management and data entry required
- Provide forecast to third-party manufacturers quickly and easily



The Ripple Effect of an Inaccurate Forecast

Actelion needed to provide a more accurate forecast to many internal and external stakeholders, including affiliates, medical marketing, lifecycle management, and regulatory affairs. In the pharmaceutical industry, an inaccurate forecast can contribute to supply chain risks on several fronts:

- **Toller supply uncertainty:** Toll manufacturers have their own contractual supply obligations, safety stock levels, and lead times.
- **Demand uncertainty:** Increased complexity due to demand growth, country launches, and additional clinical trials.
- **Planning process execution:** Long-term planning is required for active pharmaceutical ingredients (API) and complexity is increased by additional tollers, affiliates, and new products.

Actelion's existing Excel-based tools were not well suited to generating an accurate 72-month forecast or managing supply chain complexities and risks. The lack of automation in the process increased manual effort and the likelihood of mistakes, affecting the company's ability to supply product. Any uncertain or missing forecast can quickly cause a ripple effect due to the extensive outsourcing of manufacturing and distribution.

Predicting Demand for the Enterprise

Actelion implemented Aspen Collaborative Demand Manager for developing accurate and consistent projections of market demand, which are continuously updated as circumstances change. The demand planner generates a working forecast based on 36 months of sales history, then affiliates and marketing managers incorporate events and overrides. The web-based collaborative forecasting capability formalizes communications across Actelion, providing demand projections for each product.

Produce the Best Demand Plan

By automating their initial forecast for commercial products, Actelion's supply chain team was able to re-direct their efforts to managing problems by exception instead of developing a grass-roots forecast for each product. The improved process enables Actelion to reduce inventory carrying costs, handling costs, and the amount of time spent performing data entry. It also enables them to provide their long-term forecast to third-party manufacturers and to respond to customers with accurate and reliable product availability information.

Aspen Collaborative Demand Manager also enhanced the sharing of information with brand, country, and regional managers who wish to have a global view of the sales forecast. By sharing information across the enterprise, all parties are able to collaborate to produce the best possible demand plan for Actelion.

About AspenTech

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