

Rejuvenation in a Post-Pandemic World:

How Life Sciences Companies Can Reinvent Supply Chain Planning



Life Sciences Organizations Are Seeking Longevity and Resilience

The global economy showed resilience as the pandemic ebbed and flowed, recovering faster than some experts expected. Consider these positive indicators:

Yet many challenges remain, including supply chain fragility, inflation, tight labor markets and the climate crisis. Life sciences companies must embrace a plan for resilience, which in its simplest form can be rendered as adaptability + decisiveness. The following industry trends suggest the transformation has already begun:

Acceleration of Digitalization. At Logility, we're seeing a new sense of urgency among our customers. Everything from research and development to supply chain to compliance is being overhauled and digitized at a faster pace than years past.

Artificial Intelligence Goes (Even More) Mainstream. As life sciences' adoption of artificial intelligence (AI) matures, it is (not surprisingly) being used for a broader range of applications, from competitive intelligence to purchasing to predictive supply chain management and much more. The industry will continue to wrestle with the knowledge that while a holistic approach is ultimately best, it's not simple.

Environmental, Social, and Governance (ESG) Heats Up. Many – but skewed toward larger – life sciences organizations have openly committed to ESG initiatives. Pressure from investors, regulators, employees and consumers is likely to intensify and as a result

influence company leaders and boards for years to come.

Some life sciences supply chain leaders have mused over the possible combined effects of pandemic-induced market dynamics and climate change. Is it the “death of planning” in the traditional sense? While that view seems exaggerated, it's safe to announce the birth of agility and resilience as core components of effective planning.

In this eBook, we'll examine three digital supply chain solutions that can help your life sciences organization become more durable in the face of market volatility while supporting strategic change.

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Indeed, the foundations of future growth are often laid as societies respond to the weaknesses crises expose.”

McKinsey & Company, *Three Keys to a Resilient Post-Pandemic Recovery*, February 2022

An Emphasis on Innovative Technology

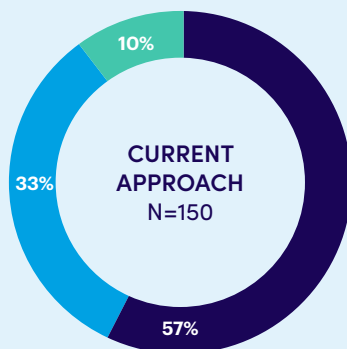
Industry research by Deloitte suggests digitalization is a high priority, with much innovation compressed into the first 18 months of the pandemic. And the emphasis on digital is likely to continue, given that 77% of survey respondents said their organization treats digital innovation as a competitive differentiator.

Furthermore, of companies describing themselves as “fast followers” (more than half of respondents), 80% believe that their organization needs to be more aggressive and adopt digital technologies faster.

FIGURE 3

Fast followers believe they should adopt a more aggressive approach to digital innovation

Q: Which of the following best describes your organizations current approach to adopting innovative digital technologies?

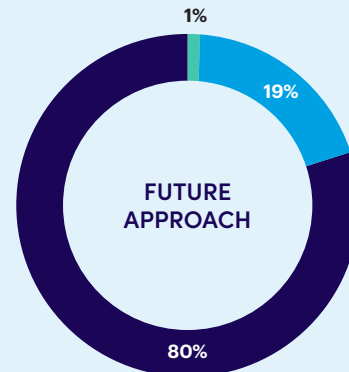


57% **Fast followers:** We tend to follow the path of competitors after they have proven the value of technologies.

33% **Early adopters:** We are visionaries that quickly adopt technologies and set the pace for the industry.

10% **Laggards:** We are slow to adopt technologies.

Q: Do you believe that your organization should continue with this approach, or does it need to change to win in the market?



80% **Be more aggressive:** We should adopt innovative technologies faster.

19% **Stay the current path:** Our current approach works; no need to change it.

1% **Slow down:** We're moving too fast without generating benefits.

of this 57%

Close the Gap with Proportional Profile Planning

Life sciences companies should implement proportional profile planning to close the gap between demand planning, supply, sourcing and production planning.

Accurate demand planning and the visibility to make early product sourcing decisions are crucial to driving supply chain efficiencies and boosting profitability. However, for items serving multiple markets with multiple configurations, companies often struggle to disaggregate forecasts from the product level

to the SKU or even more granular level. Logility's proportional profile planning solution provides the clarity and confidence required to make sourcing commitments and production orders for specific items earlier in the cycle, enabling on-time delivery at the lowest cost. Produce the best possible detailed forecast for increased visibility and greater efficiency across your global supply chain network.

Use proportional profile planning to:



Increase Visibility

Produce the optimal forecast for increased visibility and greater efficiency across your global supply chain network.



Boost Profitability

Reduce the need for costly markdowns and excess inventory through more precise demand plans which model historical patterns of items with similar attributes.



Automate Forecast Disaggregation

Reduce the effort required to explode a business-level forecast down to the SKU and close the loop between high-level demand planning and detailed supply, sourcing and production planning.



Improve Supply Chain Performance

Drive optimized material purchases, earlier production commitments, less expediting and other cost efficiencies with advanced SKU-level forecasting.

Optimize for Alignment with Demand Planning and Optimization

More accurate demand forecasting drives more accurate downstream demand plans that satisfy customers and synchronize supply chain partners.

How? Demand planning and optimization aligns high-level business planning with detailed product forecasting to boost service levels, shorten cycle times, reduce inventory investments and improve profitability. Capture the needs of an entire enterprise in one plan to guide your business. Logility's demand planning and optimization solution allows you to increase product availability with advanced demand forecasting methods.

Demand planning and optimization enables:



Better, Faster Decisions

Leverage machine learning and advanced analytics to make faster, more empowered decisions.



Superior Visibility

Lower costs, increase product availability and improve profitability.



Improved Customer Satisfaction

Drive more accurate downstream supply chain plans through better demand forecasting. Boost customer service and perfect orders.



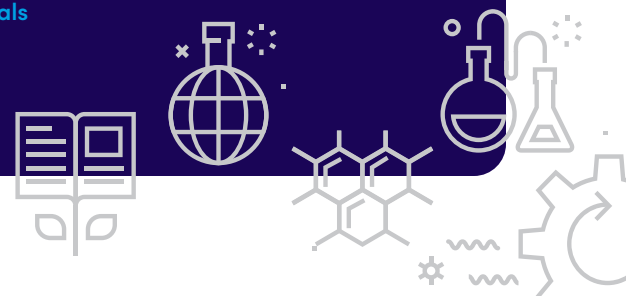
Action-Oriented Decision-Making

Drive efficient production scheduling, sourcing and finished goods inventory management and free up working capital.



"The flexible and configurable design of the Logility platform has greatly reduced our reliance on legacy systems and has established a trustworthy source of truth"

S&OP Manager, iNova Pharmaceuticals



Keep a Lid on Inventory

What if you could use an ounce of prevention to reduce inventory by 10% to 30% while enhancing the customer service experience? Optimize postponement strategies, accelerate inventory turns, reduce carrying costs and lower obsolescence rates?

Meet Logility's planning and optimization solution for multi-echelon inventory optimization (MEIO) that controls upward pressure on inventory buffers at all stages and locations of your supply chain network.

Leverage the power of MEIO to understand the key drivers of excess inventory and put the right levels of raw materials at the right places to create the best balance between cost and service.

A combination of processes, data, and technologies are converging to help life sciences companies gain real-time, predictive visibility and insight needed to drive MEIO. With inventory optimization, you can position your supply chain to minimize costs and reduce risk while meeting customer service levels.

An effective IO or MEIO strategy will help your company:



Synchronize Goals

Balance strategic business goals with tactical inventory targets.



Balance Investments with Goals

Use advanced modeling to evaluate multiple strategies, compare outcomes, and find your optimal solution.



Maximize Service Levels at a Lower Cost

Reach the highest possible service levels with minimal strategic investment in inventory.



Automate Changes

Automate inventory policy updates, broad-based changes, time-phased safety stock policies, and override identification at the lowest level of detail in the supply chain.



Reduce Costs

Free up millions in working capital trapped in excess inventory while lowering logistics costs up to 15%.

Life Sciences Embraces Common 'Resilience Agenda'

A common 'resilience agenda' is a nice thought, and not all that farfetched given what we've seen in recent years. But for now, take it upon yourself to lead by strengthening your own resilience muscles. Life sciences organizations can't create supply chains immune to disruption, but they can make the symptoms less severe through radical, comprehensive digitalization of their businesses, adoption of AI and genuinely embracing the core pillars of sustainability. Logility supports this growth by providing supply chain management and decision-support technologies such as:

- › **Proportional Profile Planning**
- › **Demand Planning and Optimization**
- › **Inventory Planning and Optimization**

Logility is uniquely positioned to help life sciences companies like yours rethink supply chain strategies with the Logility® Digital Supply Chain Platform. The platform provides a comprehensive set of solutions that can enable you to plan and execute your operating strategy based on a clear view of your global supply chain and emerging disruptions. Best of all, you can position your business to thrive in a climate of stricter regulatory burdens, increased demand for sustainability, and ever-evolving commerce expectations.

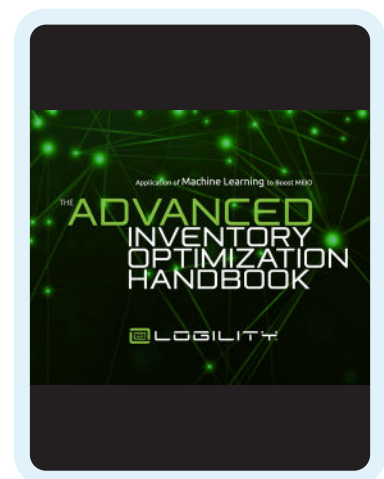
Additional Resources



Five Tips to Take your Life Sciences Supply Chain Digital



A Digital Transformation Guide for Supply Chain Disruptions



The Advanced Inventory Optimization Handbook



About Logility

Accelerating the sustainable digital supply chain, Logility helps companies seize new opportunities, sense and respond to changing market dynamics and more profitably manage their complex global businesses.

The Logility® Digital Supply Chain Platform leverages an innovative blend of artificial intelligence [AI] and advanced analytics to automate planning, accelerate cycle times, increase precision, improve operating performance, break down business silos and deliver greater visibility. Logility is a wholly owned subsidiary of American Software, Inc. [NASDAQ: AMSWA].

To learn how Logility can help you make smarter decisions faster, visit www.logility.com.

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