



Building a mature Demand & Supply planning capability



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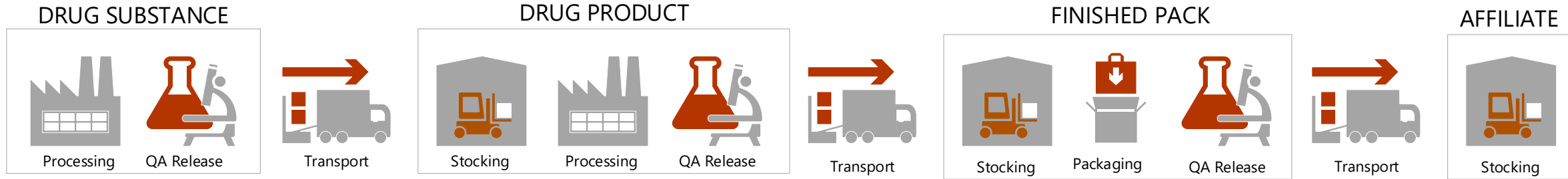
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CHANGING PORTFOLIO IS RESULTING IN CHANGING SUPPLY CHAINS



	Small / Simple Molecule product	Large / Complex Molecule products (mAb)	Single Patient Cell Therapy
Product Characteristics:	<ul style="list-style-type: none"> • Simple Manufacturing Process • Long Shelf Life (5 years) • Low Cost of Goods • Ambient storage, transportation 	<ul style="list-style-type: none"> • Complex Bio-manufacturing process • Reduced Shelf Life (2 years) • High Cost of Goods • Cold Chain 	<ul style="list-style-type: none"> • DNA Sample based manufacturing • No Shelf Life (Days/Hours) • Very high Cost of Goods • Patient specific / customized
Demand	<ul style="list-style-type: none"> • Stable demand • High Volume 	<ul style="list-style-type: none"> • Low volume • Direct business models (DTP) 	<ul style="list-style-type: none"> • “Patient to Product” model • Niche market driving uncertain demand
Supply	<ul style="list-style-type: none"> • Internally manufactured • Stable production output • Regional supply chains • High possibility to stock finished pack 	<ul style="list-style-type: none"> • Multiple CMO’s involved • Global supply chains (global bottleneck) • Uncertain production (yield, release time) • Limited possibility to stock finished pack 	<ul style="list-style-type: none"> • No possibility to stock finished pack

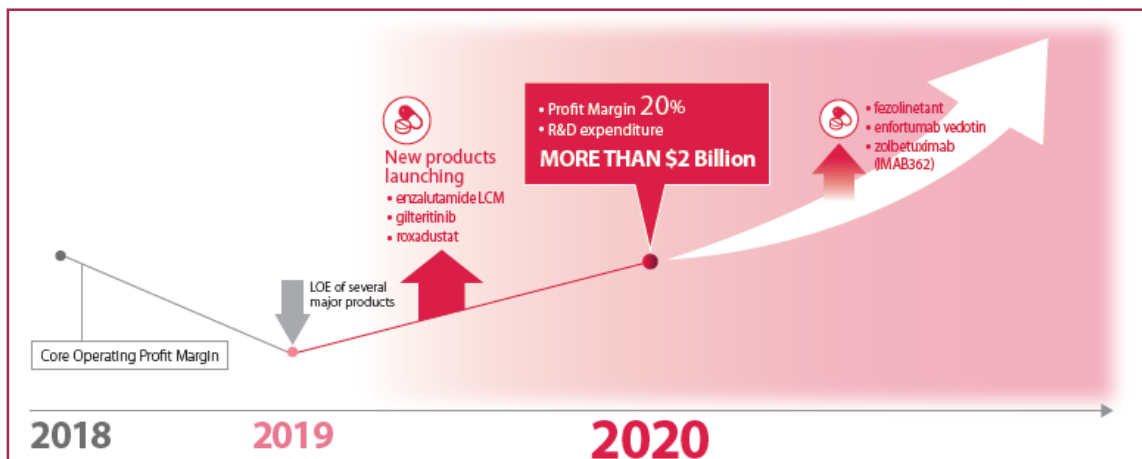
PRESSURE IS INCREASING....

...SO WE NEED TO CHANGE

Our environment is changing



Our product portfolio is changing

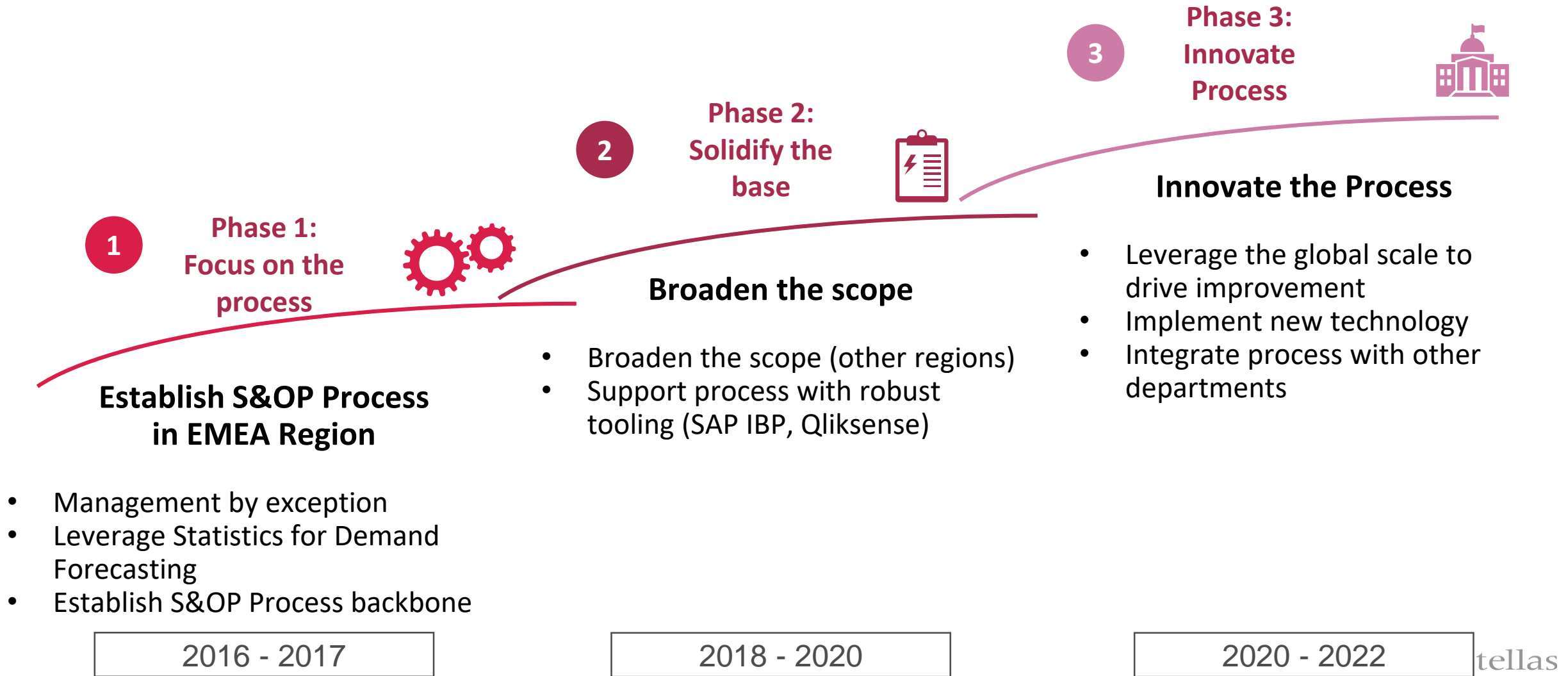


Global D&S Managers will enable globalized decision making.

SAP IBP provides a single integrated data set for planning.

Global Process Ownership will drive improvement and innovation.

OUR SUPPLY CHAIN PLANNING JOURNEY



PHASE 1: FOCUS ON THE PROCESS

People

Establish a mindset of Exception based management.

Create buy-in by improving user friendliness.

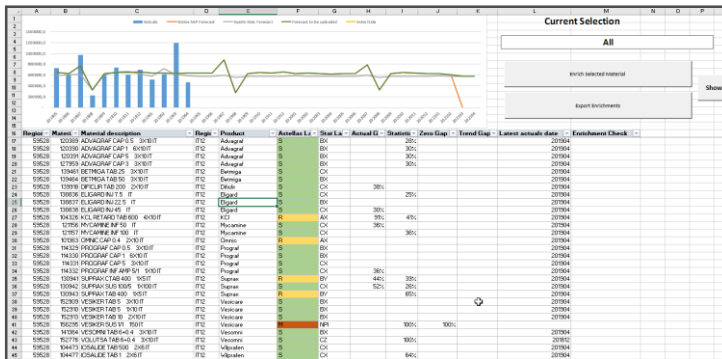
Processes

Implemented Segmentation Statistical Forecasting.

S&OP Backbone – shared calendar and centralized process support

Tools

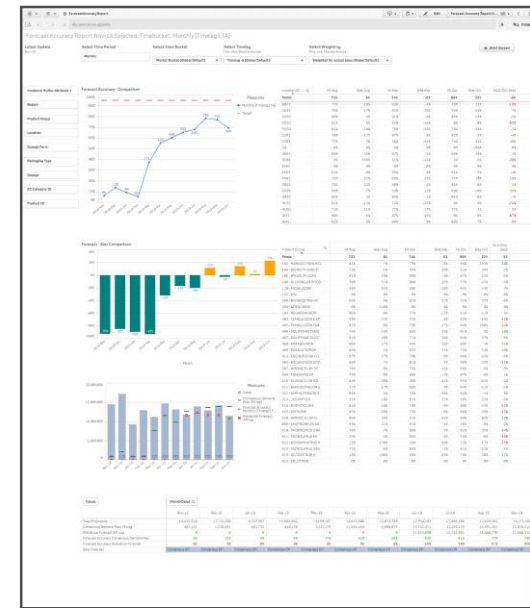
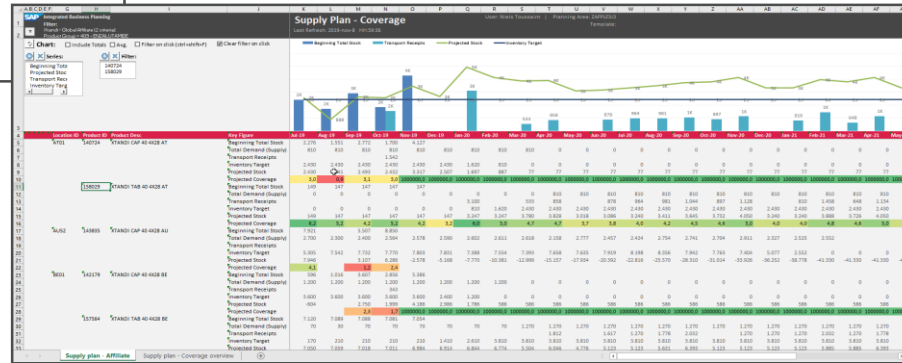
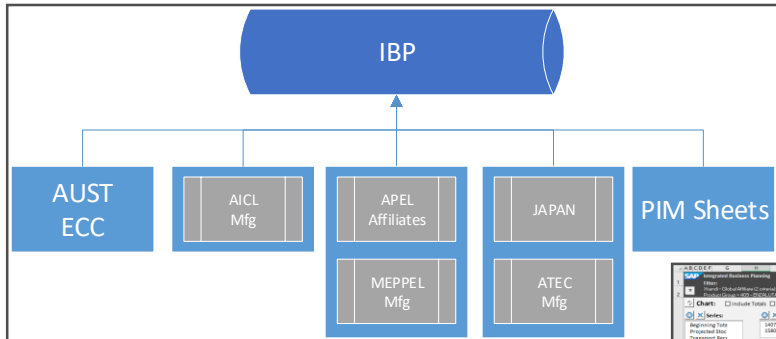
Excel based tooling with rapid development (based on user input)



		NPI			Mature			EOL		
Manual forecast	Volume	A	Review statistics	Focus, manual forecast	Focus, manual forecast					Manual forecast
		B	No focus, statistics only	Review statistics	Focus, manual forecast					
		C	No focus, statistics only	No focus, statistics only	No focus, statistics only					
			Stable demand (X)	Medium volatile demand (Y)	High volatile demand (Z)					
<p>Promotions, tenders and projects Planned E2E as separate process</p>										

PHASE 2 – IMPLEMENT ROBUST TOOLING BASED ON PHASE 1 LEARNINGS

- SAP IBP was selected as planning platform (integration with SAP, flexibility in development, excel based user interface).
- SAP IBP Functionality is developed based on learnings from phase 1 prototype excel tooling.
- QlikSense has been selected as global KPI dashboarding tool



PHASE 2: BROADEN THE SCOPE

- Based on Phase 1 Regional model, a globalized D&S Operating Model is being established
- Strong focus to implement the existing EMEA S&OP calendar globally, integrating other regions into an already running process.



KEY ACTIONS IN FY19

Strategic Goal 1: Enhancing Our Current Approach
Strategic Initiative 1: Further enhance approach to Maximizing Product Value and Operational Excellence
PTEC Priority: Peruse operational excellence and efficient flexibility

➤ **Realize SCM Global Function**

- Implement Demand and Supply Management
- Establish collaboration structure with new commercial organization

- Global D&S Manager will be appointed for each commercial product, who will provide leadership and accountability for supply chain planning aspects of assigned portfolio.
- The Global D&S Manager will lead the S&OP Process for their respective product portfolio in close collaboration with a global network of Demand Managers and Supply and Inventory Managers.
- By Implementing D&S Management network, the responsibility of regional commercial supply chain groups will expand to the global supply chain planning for the product portfolio which the head of commercial supply chain in each region is accountable to.

Some real-life examples:

- **Mirabegron (2014):** Global Drug Substance shortage resulting in decision required to either strongly reduce Americas and Japan stock levels or impact EMEA Launch schedule. Global D&S coordinates analysis and Implementation of decision globally.
- **Xrandi Tab transition (2018):** Global stock coordination required to avoid excess stock of capsules, while transitioning to tablets in Japan and EMEA region.

S&OP Communication Scheme

- Roles can be combined based on product needs
- Global D&S Role mostly combined with DS/DP Supply Role
- Markets work with Demand Managers based on commercial structure
- Regional Head of Supply Chain accountable for global planning of allocated portfolio

PHASE 3 : ROAD MAP FOR THE NEXT PHASE

Collaborative Planning

Establish further integration with Business Partners (Licensees, CMOs)



Advanced Analytics

Leverage new technologies to support planning function.



Transition from S&OP to IBP

Following phase of globalizing the S&OP, focus on Integration with other depts.



KEY LEARNINGS FROM OUR JOURNEY SO FAR

2

Adjust the pace to accommodate slow adopters

- Project pace was aligned to community adoption speed.
- Change Champions to provide Peer to Peer support

4

Understand Supply Chains role in the company

- Be realistic on circle of influence
- Focus on Supply Chain role in company strategy

1

Focus on process and people first, then on tools

- Successful implementation of tools require maturity of community

3

Start small but “fit for purpose”

- Start small (SCRUM) to prove the concept and added value
- Use small base to support broader base in adoption

THANK YOU