



Symphony
A Platform for Supply Chain Management

CASE STUDY



Dr. Reddy's Laboratories



Industry

Pharmaceuticals

Headquarters

Hyderabad, Telangana, India

*"Utilising **Symphony** has allowed us to effectively manage our stock levels, both within our warehouses and with our distributors, almost automatically and without the need for user intervention. The Inherent Simplicity team, (the developers of the software package), provided excellent support throughout the implementation process. Together we have accomplished appropriate stock levels, both within our warehouses as well as with our distributors, and have significantly improved the availability of products within key markets.*

Shop floor management processes have been streamlined; the system avoids unnecessary WIP, accurately dictates our priorities, and provides superb visibility with regards the entire production status to all concerned.

***Symphony** software is technically robust and works seamlessly with SAP. The Inherent Simplicity team frequently add new functions and features to **Symphony**, based on new knowledge and to meet customer specific needs."*

Vilas Dholye

**Executive Vice President and Head -
Formulations Manufacturing**

Fast Facts

- Due Date Performance was improved in more than 100%
- Cycle times in production were reduced up to 50%

Established in 1984, Dr. Reddy's Laboratories (NYSE: RDY) is an emerging global pharmaceutical company. Their products are marketed globally, with a focus on India, the United States, Europe and Russia. Dr. Reddy's conduct NCE research in the areas of metabolic disorders, cardiovascular indications, anti-infective and inflammation.



Key Challenges

Dr. Reddy's Laboratories are struggling to maintain a profitable and successful company in a competitive business environment. The company's purpose is not to be able to keep the company afloat in its current state, but to develop and progress; to venture into new spheres of the business world. Establishing the key outcomes and the essential aspects of the new distribution system will help Dr. Reddy's Laboratories reach the top of the global business pyramid.

The main challenges faced by the company:

- Dr. Reddy's were using a forecast-based supply chain system which did not take into consideration the ongoing changes within the market.
- Response times for changes were slow due to long replenishment lead times.
- High finish goods inventories, and at the same time, frequent stock outs.
- Existing goods distribution system was inconsistent and lacked an efficient management procedure, creating finish goods surpluses and stock outs.
- Data and information with regards bestselling or unsold goods was gathered on a quarterly basis only; the statistics were reviewed only during management meetings.

The Solution

Dr. Reddy's made the radical switch from a forecast-based supply chain system to a replenishment-based supply chain. In order to execute this new way of working, the company implemented Symphony's Stock Management module.

- Inventory buffers were introduced throughout each branch of the supply chain, conveying the valuable demand knowledge from the front to the back end of the organisation.
- All buffers are managed dynamically – adapting to demand patterns.
- Pull distribution system was introduced. Only the needed inventory is moved through the supply chain.

Results

By working according to TOC principles and by using Symphony, Dr. Reddy's established an efficient and productive way of distributing goods.

Since buffers were designed to combat uncertainty, they were strategically positioned at every level of the supply chain. The buffers were maintained at stock level (central warehouse or regional warehouse), the point-of-sell and at the global distribution level. Buffers were also introduced for the following elements: production, packaging material and raw material.

Symphony has created a fast-expanding global network and has cemented its position as a cornerstone in the future of Dr. Reddy's Laboratories Ltd.

Connecting the distribution channels to the production facility in Hyderabad, allowed DRL to dramatically improve their lead times and DDP, as shown in the product results below:

	Cycle Time			DDP		
	From	To	%	From	To	%
NA EU	800	450	-44%	30%	60%	+100%
ROW	700	500	-28%	35%	78%	+120%
API	450	350	-22%	60%	80%	+33%

- Due date performance was improved between 33% – 120%
- Cycle time was reduced between 22% - 44%

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