



Charles River reduced backorders by 84% by using CCH® Tagetik Supply Chain Planning

CCH® Tagetik Supply Chain Planning



charles river

Company

Charles River

Industry

Pharmaceutical

Uses of CCH® Tagetik Supply Chain Planning

(formerly Vanguard Predictive Planning*)

- S&OP Demand Planning
- Supply Planning
- Inventory Optimization
- Sales Planning

Key Facts

- Founded: 1947
- Headquarters: Wilmington, MA
- Employees: 18,400+ worldwide
- Customers: Leading pharmaceutical, biotechnology, agrochemical, government, and academic organizations around the world
- Service Areas: Basic research, discovery, safety and efficacy, clinical support, and manufacturing

“[CCH® Tagetik] innovative approach to aligning sales and demand data with forecasting models to feed predictive analytics greatly advanced our ability to accommodate COVID-19 demand spikes. By incorporating an AI-driven, data enriched model, we not only reduced back orders relative to the prior year, but also met the great COVID-19 increase in demand, enabling vaccines to be safely distributed while not delaying the vaccine supply chain.”

Jody Rogers, CPIM CSCP, Director Global Supply Chain, Charles River

The Challenge

Charles River Microbial Solutions manufactures and globally distributes endotoxin test kits to the pharmaceutical, medical device, and biotechnology industries.

As the COVID-19 pandemic began to spread in early 2020, the demand for Charles River's products grew in a variety of ways. Large orders from new customers, frequent orders from regular customers, and warnings from raw materials suppliers all brought uncertainty into their supply chain.

Looking to better understand the growth in demand, predict future demand, and decide if the events were singular or part of a pattern, Charles River relied on CCH® Tagetik Supply Chain Planning, the industry's leading supply chain planning solution, to help them outperform during the unexpected.

The Solution

Charles River's Microbial Solutions selected CCH® Tagetik as their end-to-end supply chain planning solution in 2018 and began implementation at the beginning for 2019. After seeing positive results from the initial implementation of Demand Planning, with an 84% decrease in backorders, and achieving higher service levels to maintain competitive advantage balanced with optimizing inventory, Charles River continued further implementing CCH® Tagetik for Sales and Operations Planning (S&OP) to strategically build resilient inventory plans capable of accounting for fluctuations in demand.

Having CCH® Tagetik in place, along with demand planning, enabled Charles River to immediately understand spikes in demand and plan accordingly on what orders need to be fulfilled, which warehouses to stock, and when and where they should increase production.

By using the CCH® Tagetik forecasts, they were able to see when demand on select products

Requirements

- Reduce manual planning, improve forecast accuracy, and enable end-to-end visibility
- Align Sales & Operation around one set of plans and objectives

Benefits & Results

- Backorders consistently reduced by 84%
- Expiring inventory write-offs anticipated to be reduced by 75%
- Enabled shipping costs reduction of 40% for select products with bulk shipments

*Wolters Kluwer acquired Vanguard Software, a global provider of cloud-based integrated business planning (IBP) solutions, extending the award-winning CCH® Tagetik corporate performance management (CPM) expert solution into sales and operations planning, including supply chain planning.

had spiked to over 50% of what they were projecting before the COVID-19 pandemic arrived. This allowed them to have discussions with their customers to figure out the reasons for these large orders and spikes in demand; were these one-time orders, or due to a new level of sustained high demand, or due to the customer stocking up on product in fear they would not be able to get this product later in the year. With that knowledge they were then able to have context to shifts in demand and figure out what appropriate response was needed to combat the shifts. CCH® Tagetik has enabled them to account for all these scenarios, as well as predict strategic production decisions using the vertical alignment of sales and operations data.

The Result and Benefits

Backorders Consistently Reduced

By using CCH® Tagetik Supply Chain Planning, Charles River reduced backorders by 84% year-over-year. This significant reduction in backorders come with another added benefit. With Charles River supplying products to the pharmaceutical and biotechnology industry, being able to fulfill their orders helping to ensure that endotoxin testing did not become a barrier to vaccine release for distribution.

Expiring Inventory Write-offs Reduced

Year-over-year, Charles River reduced expiring inventory write-off by more than 50%. Charles River is projecting to reduce expiring inventory write-offs by another 50% for the next year. Effectively they plan on minimizing their overall expiring inventory write-offs by 75-80% in 2 years. With fewer inventory write-offs, Charles River has less products that are expiring and going unused. Not only is this a financial benefit for Charles River and their customers, but in a time of a global pandemic, being able to utilize more of Charles River's product in the field will assist with faster vaccination release from production and the overall health and safety of the world.

Enabled Shipping Costs Reductions

By utilizing the CCH® Tagetik Supply Chain Planning solution for inventory planning (or optimization), Charles River was able to reduce the shipping costs on one of their product lines by more than 40%. Having the visibility to see inventory levels at their facilities around the world, allows them to be able to plan how much inventory to build, and when they need it to make sure they have enough lead time for a container to make it to a facility without that facility running out of inventory in the meantime. By using CCH® Tagetik to better plan inventory levels, Charles River is able to plan the lead time they need to send freight by sea, and to not have to rush freight by air, saving in overall shipping cost.

About Customer

The Microbial Solutions division of Charles River offers progressive products and services that deliver accurate, relevant, and reliable data to fuel confident decisions on product quality and contamination control. For further information visit www.criver.com

About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services. Wolters Kluwer reported 2020 annual revenues of €4.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,200 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

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