

International Pharmaceutical Company

Client

The International Pharmaceuticals company is one of the world's largest life science corporations serving medical facilities, mass merchandisers, and individual practitioners in the U.S and abroad. The company has four distribution centers, two in the Midwest, one in the Southeast and one in the far West.

Problem Statement

The current DCs lacked the capacity to support growth predictions over the next five years. The appropriate number, location, size, and design of future facilities needed to be established. In addition, the company's distribution network had to support the import and export of large quantities of product, as well as maintaining high domestic and international service levels.

Scope-Of-Work

To address the client's concerns, Tompkins Associates performed a Logistics and Warehouse Strategic Master Plan. The plan focused on:

- Creating a supply chain that is capable of supporting both average and peak distribution requirements
- Determining the optimal number and location of distribution facilities
- Designing facilities that balance space, equipment, systems, and labor to provide the required capacity while making the best use of corporate assets

Tompkins provided evaluations of 15 alternative network scenarios for three company divisions. A thorough inbound and outbound transportation analysis was performed including small parcels, LTL, air shipments, and airfreight gateways. Service levels, capacities, and total cost were determined for each alternate

The recommended logistics network included the expansion of one facility into available existing adjacent space, the relocation of a second facility, and the continued use of the two remaining facilities.

Results

The client has implemented the recommendations of the study. One facility has been expanded and, with Tompkins' support, the second facility has been relocated. Through these changes the client has maintained its high level of customer service while providing distribution capacity for future growth and achieving significant total cost savings.