



TRIUMPH ADVISORY GROUP


STRATEGY | OPERATIONS | TRANSACTIONS

Life Science Procurement & Supply Chain

CASE STUDIES

Our supply chain and procurement experience with pharma and medical device companies

Procurement Clients

 5 Case studies included on subsequent pages

	Strategic Sourcing			Procurement Operating Model	Supply Chain / Operations Improvement
	Indirect	Direct	TPM		
1. A global top five Pharma firm	✓	✓	✓	✓	✓
2. A leading medical device firm	✓	✓	✓	✓	✓
3. A global top ten Pharma and medical device firm	✓	✓			
4. A global health and consumer care conglomerate		✓	✓	✓	✓
5. A leading nutritional health firm	✓	✓	✓	✓	
6. A global top ten Pharma firm				✓	
7. A mid-size generic pharma firm	✓	✓			✓

1. A global top five Pharmaceutical company

Overview

- 5+ years of relationship with a global Fortune 50 pharmaceutical company in delivering significant top and bottom line impact
- Supported client in one of the largest recent M&A deals, where two large pharmaceutical companies merged to create one of the world's largest prescription drug companies, with significant external spend
- TPG supported multiple global teams across Direct Materials and Research Procurement to define, develop and execute a cost reduction program
- Cost reduction program included quick win like price harmonization and fast start negotiations as well as holistic strategic sourcing initiatives

Supply chain topics

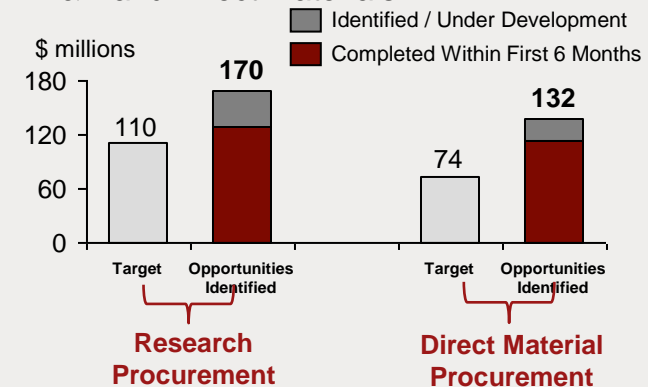


Procurement categories addressed

- R&D
- Packaging
- Logistics
- Chemicals
- APIs and Intermediates
- Contract Manufacturing

Impact

- Significantly exceeded cost reduction targets by more than 50% across both R&D and Direct Materials



2. A leading medical device firm

Overview

- TPG has played a major role in the post-LBO transformation of a multi billion manufacturer of medical devices, surgical equipment, pharmaceuticals and consumer health products
- Client needed cash to drive growth initiatives, so cost improvement was the first priority while at the same time it was critical to improve quality and service levels to sustain long term growth
- Assessed, designed, and delivered supply chain transformation program, which had significant impact on Client's bottom line



3. A global top ten Pharma and medical device firm

Client experience overview

- A global Top-10 pharma and medical device firm performed comprehensive direct and indirect spend sourcing effort driving value for the broader organization
- Identified incremental opportunities by applying advanced techniques across all direct material categories including Raw materials & API, Packaging, Contract Manufacturing and R&D
- R&D workstream focused on 1) targeted negotiations with programmatic CRO and central labs partners, 2) RFP driven selection of second programmatic CRO partner, 3) lab supply negotiations and 4) assessment of functional outsourcing model, 4) lab supply negotiations
- Marketing workstream focused on to-be creative agency set-up and development of print / promo sourcing strategies

Procurement categories addressed

- R&D
- Lab Supplies
- Marketing
- Chemicals
- API
- Contract Manufacturing
- Packaging
- Medical Devices

Impact

- Identified EUR 66-115MM in incremental benefits on EUR 2.1Bn direct material spend
- For R&D, reduced central lab assay rate 15-20%, capture 10% benefits from CRO spend and establish an aggregator model for lab supplies
- For creative agency, developed to-be scenario and internal benchmarking tool
- For print / promo, drive specification optimization with suppliers

4. A global health and consumer care conglomerate

Overview

- 10+ year relationship with a global health and consumer care conglomerate driving multiple strategic and operational improvement initiatives across different business segments
- Extensive work on procurement, manufacturing network optimization, complexity management and risk management topics
- Acknowledged at clients as the leading consulting firm that works side-by-side to drive sustainable change



5. A leading nutritional health firm

Client experience overview

- For one of the largest nutritional health firms led strategic sourcing effort across direct, indirect and TPM spend
- Assessed procurement organization’s capabilities and developed plan for operating model transformation
- APIs and logistics utilized RFP-based collaborative optimization to drive benefits, in particular in logistic this helped maximize expressive bids from carriers on price, capacity, and service level
- Enabled the sourcing stakeholders to consider relative supplier performance and their own constraints as they designed and assessed award scenarios

Procurement categories addressed

- APIs and Raw materials
- Marketing
- Logistics (FTL & LTL)
- Packaging
- Contract Manufacturing

Impact

- Drove significant benefits on key categories – e.g. 5% out of \$200MM spend for APIs, 13% out of \$75MM Packaging spend, 8% out of \$40MM spend in FTL & LTL
- Identified key gaps in procurement organizational capabilities and a clear action plan for closing the gaps
- Overall result: high implemented savings, high stakeholder buy-in