

Fagron reduces inventory value and increases availability

With five brands and one factory in Brazil, Fagron distributes drugs to drugstores across the country. At the request of the Dutch parent, the subsidiary deployed Slimstock software, Slim4, and increased its stock availability by 94%, making it a global case of efficiency.

"We have Slim4 as the main factor to help us with planning."

Rita Mendonça,
Systems Coordinator, Fagron Brazil



In a highly competitive market dependent on imported raw materials, planning the demand for the supply of medicines for five sales companies and consolidating orders at the factory is a challenge for Fagron Brazil. "Our subsidiaries compete with each other and end up ordering the same products. So we need to reconcile all the requests so that they can be done at the same time, because the average time between analysis, import, production and release of the inputs is 120 days", says Rita Mendonça, Systems Coordinator at Fagron Brasil.

Planning Optimization

Prior to Slim4, the subsidiary used spreadsheets to do demand planning. "We had faults, many products with leftovers and others with stock out. Slim4 came to help organize and optimize our time in this process", says Rita. The implantation in Brazil came by incentive of the Dutch headquarter, which had already implemented the solution. The first unit in the country to adopt the software was Via Farma, a branch at São Paulo, which increased its availability by 3%, in a stock already very close. This improvement encouraged the other

units to use the solution and then it was the turn of the plant.

Reference for other countries

Using the Slimstock solution, Slim4, for the last two years, the results of Fagron Brasil stand out. "All our units have an annual closing goal. Since the implementation of Slim4, we have been able to achieve them successfully", emphasizes Daniel Castanho, Purchasing Coordinator of the company. He points out that another differential for competition in this market is availability. "At the beginning of the project we had 79% availability of products and in 2018 we reached 94%, a historic brand that we had never achieved." The Brazilian subsidiary has become the global Fagron case in inventory management, seen as an example for other countries, completes Rita. "The other branches of the group did not use the tool as much as we did. Now there is a worldwide movement for all to increase the use of the software in function of the result we had here".

More accurate information

Slim4 provided information and communication gains among the

branches in Brazil. "Before Slim4, the companies worked alone, now they act as a team", account Rita. For this, a planning group was created. "Every month we review the inventories together to check what is left in one unit and missing another to do the balancing. All this started as a process on the meetings during Slim4 implementation. We have better information and we are able to produce forecasts that are more concise and consistent with our reality. As a result, we have reduced inventories and increased availability." Having the business overview and detecting trends and variations on items that were irregular were also benefits generated by the software. "We are in a very volatile market. The demand planning optimization provided by Slim4 helped us a lot, because now we can see very clearly the exceptions, variations and apply the corrections, so we do not have problems of stock out of products in the future".

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