

Cephalon Uses ValueTrak to Assist in Product Launch



ValueCentric interviewed **Robin DeChristopher**, Cephalon's Manager, Trade Relations to discuss how ValueTrak assisted in their recent product launch. As part of the conversation, Robin emphasized the value of the 852 & 867 data streams as they work in tandem to support a new product launch and monitor performance of existing product.

Q: When using ValueTrak to monitor new product launch performance, what reports do you find most useful?

A: 1.) Days on Hand Summary Report

"ValueTrak's Days on Hand (DOH) Summary Report provided invaluable information on product visibility. In reviewing this report, Cephalon was able to see areas where distributors were low in product inventories – in relation to demand that was being measured / calculated. This provided us with the necessary information to contact the buyer of that particular distributor to encourage them to order additional product in order to meet the expected demand. A distributor's warehouse management system (WMS) typically does not have the capability to track DOH inventory levels for a newly introduced product because those systems rely heavily on historical ordering patterns. With new products, this presents a business issue because there is no on-hand history. However, ValueTrak's DOH report has allowed Cephalon to be more proactive in helping to ensure an adequate supply of product is available in the supply chain to meet demand. In contrast, Cephalon also uses this report to help identify cases where DOH may be too large and existing inventories should be adequate, or help manage conditions where a generic product will be introduced."

"Cephalon has found that most wholesalers (who already have thousands of SKUs to manage) are very receptive to our proactive inventory management and are grateful for our assistance in helping them to manage product line performance."

2.) Sales & Inventory Summary Report

"Cephalon uses the Sales & Inventory Summary Report to monitor product movement within a wholesaler. This report also provides visibility of wholesalers' outbound sales at the state and zip code level. In using this report, Cephalon found that new product inventories were low in several states, and used the information to re-calibrate the inventories in the identified states. In addition, we have used this report and worked with distributors to help adjust inventories to appropriate levels when a generic product is expected to enter a given marketplace."

"Within the first 6 weeks of our most recent new product launch, we developed a report within ValueTrak to present to Cephalon's upper management. This report included

information broken down by DC and identified details such as the largest and smallest DC stocking the product, how many stores (by distributor) were stocked with the product, etc. This detail

was also given to sales reps so they had a baseline referencing pharmacies that had the product and those that did not. Cephalon also helped distributors to rebalance product levels

within their warehouse network. Using information from this report, Cephalon worked very closely with our distributors to help them to manage their inventories by processing additional orders for the product when inventories were low, and suggesting that they reallocate inventories where levels appeared high. The main goal was to ensure that distributors were adequately stocked versus measured demand in each region. This provided a win/win scenario for both Cephalon and our customers."

"By using both the DOH and Sales & Inventory reports, Cephalon is able to monitor DOH and inventory levels at the wholesalers. By running the reports, I can proactively look at inventory levels to ensure coverage during the "critical" six week period of time when managing a new launch. These reports are also useful in managing the end of product life cycle and bringing DOH down. In doing this, Cephalon is able to use the tool more for channel management with its wholesalers, and other users are monitoring the outlet level sales to evaluate current marketing and sales activity."

3.) 852/867 Reconciliation Summary

"The 852/867 Reconciliation Summary is my favorite report; I rely on the chargeback and return information the report provides, in addition to its extensive drill-down capabilities. Cephalon uses this report extensively to see which pharmacies are stocking our product. We rely on the module's raw data to see which DC's are out of stock, and now use ValueTrak's new ad hoc reporting module to quickly generate this report."

Q: What did you do before ValueTrak?

A: "Before ValueTrak and our Distribution Services Agreements (DSAs), we purchased data from some wholesalers on a monthly basis. The information was delivered in a flat file format, was never timely, and was very cumbersome to manage. Then we had to rely on our own system to obtain outbound data information. It was very challenging. With ValueTrak, everything is just a click away."



"By running the Sales & Inventory Summary report, I can proactively look at inventory levels to ensure coverage during the "critical" six week period of time when managing a new launch." - Robin