



***Improve Care Delivery Performance
through Supply Chain Transformation***



– BD Greater Asia Experience

Jimmy Khoo

Agenda

- Introduction – BD
- BD Asia Supply Chain Management & Landscapes
- Supply Chain Performance today
- The Transformation “Fun & Discovery” Journey
- Path forward

Who is BD?

- **FORTUNE 500** company (#332); BDX - NYSE
- Locations in **> 50 countries**
- Nearly **30,000 associates** worldwide
- Serves healthcare institutions, life science researchers, clinical laboratories and the general public
- Sells a broad range of medical supplies and services, devices, laboratory equipment and diagnostic products
- Gartner's Health Care Supply Chain - **Top 25**

A Picture of BD – Video (3min)



Picture_Chinese.wmv

*“Helping all
people live
healthy lives”*

FY 2013 Revenues: \$8.054B

"Helping all people live healthy lives"

By Segment:

Revenue

(billions of dollars)



- BD Medical
- BD Diagnostics
- BD Biosciences

BD Medical
\$4.3B

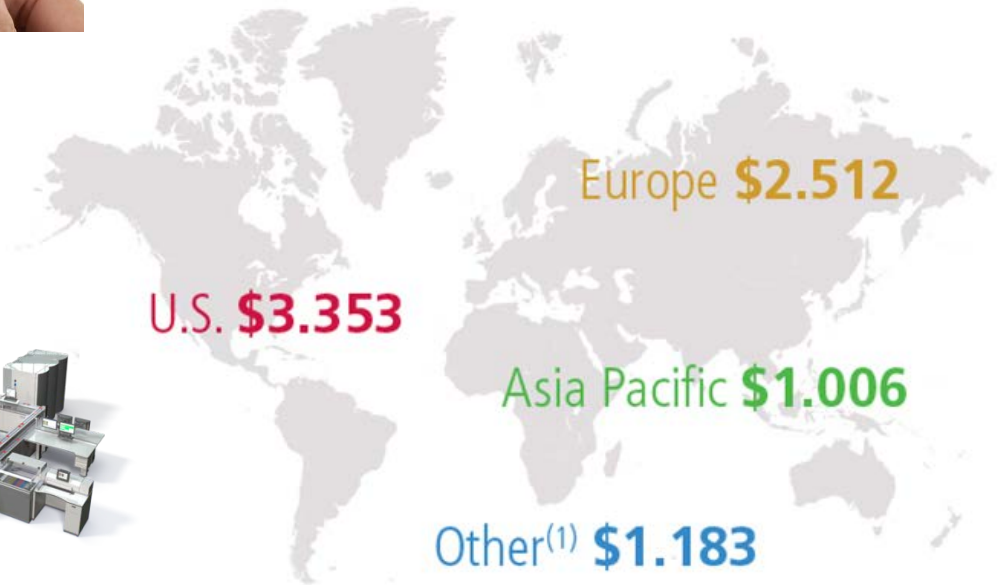
BD Diagnostics
\$2.7B

BD Biosciences
\$1.1B

By Geography:

Revenue by Region

(billions of dollars)



(1) Other is comprised of Latin America, Canada and Japan.



Strategy and Focus Areas

BD's Strategy is to **Apply Technology and Clinical Knowledge** to Make Healthcare **More Effective, Efficient and Safe.**

Optimizing Patient
& Healthcare
Worker Safety

Increasing
Healthcare
Access

Lowering the
Cost of Healthcare
Delivery

Improving Patient
Outcome and
Quality of Care



***BD Supply Chain Management
& Landscape***

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**Singapore Health Care Supply Chain Management Congress
2014**

What has changed over 4 years?

Less

More

Country Centric Supply chain decision making



Globally Aligned Regional centric decision making

Uncoordinated Supply Chain delivery network



Coordinated Supply Chain network simplified by RDC

Country Specific Sales and Inventory planning



Regional Optimized Inventory management as outcome of S&OP

Inconsistently defined Supply chain cost elements



Standardized cost elements - visibility and optimizations

Supply Chain Experts locate in the country



Establishment of Region COEs for & Country BP



Supply Chain Performance Today

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Supply Chain Performance Dashboard

Customer Service Levels

Line fill Rate
+ 5%

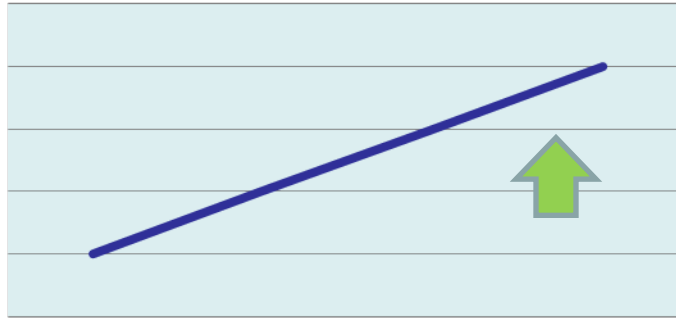


Back Order
-0.5% of Sales

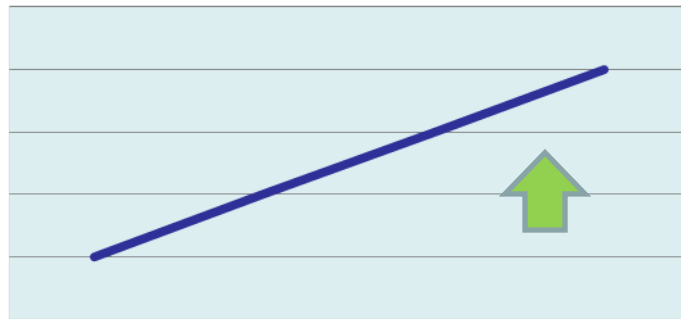
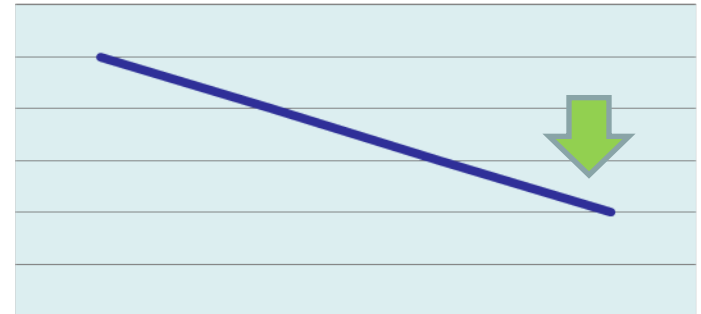
Supply Chain Performance Dashboard

Operations Excellence

Forecast Accuracy
+4% to 5%



Supply Chain Cost
Down by 6%



Inventory Turn
+6% to 8%



***The Transformation Journey
“FUN & DISCOVERY”***

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The Discovery Journey that is FUN !



Organization capability gaps and design

Regional Distribution Center

Region Logistics/Procurement SME

Share Service Center
Global SAP SCM
Region Demand Planning COE
Standardize Supply Chain Cost management

Region Supply Planning COE
Country SCM Business Partner
Sales and Operations Planning (S&OP)
Formalized Supply Chain dashboard
Simplify/Rationale Country transportation planning

TODAY:
Next Wave
Customer Centric Supply Chain

“Helping all people live healthy lives”



Benefits of Region Distribution Center

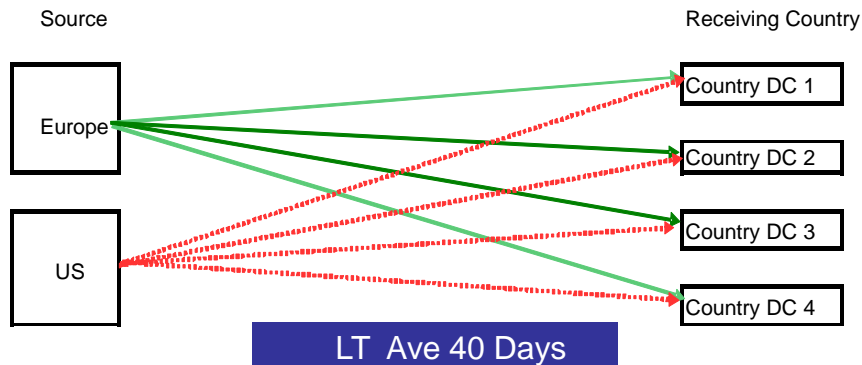
$$\text{Service Level} \uparrow = \frac{\text{Safety Stock}}{\text{Lead time} * \text{Replenishment} * \text{Forecast}}$$

Safety Stock
Lead time
Replenishment
Forecast

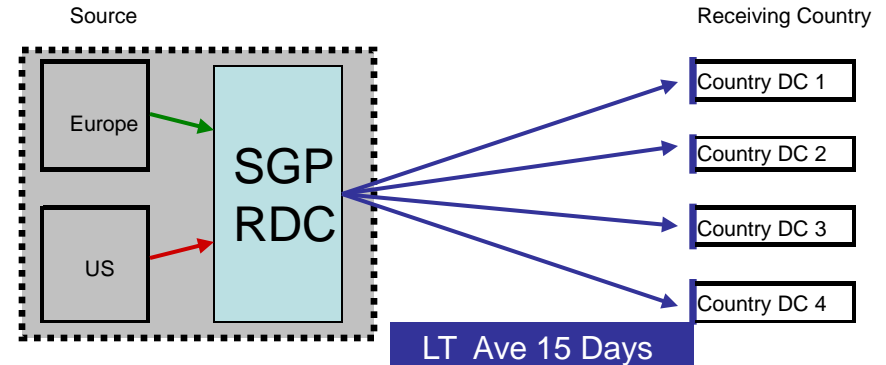


Overall Supply Chain Cost ↓

AS IS MODEL



TO BE MODEL



Planning – Center of Excellence (COE)



AS-IS

Countries

ANZ
China

Light S&OP
Demand Consensus
Finance Commitment
Projections
Data intensive

Region

S&OP
AP demand/Supply
Conduit to WWBU
Allocations
Planning Strategy

~60% of Country Planners

ANZ
China

Order Fulfillment
Supply Expedites
Inventory
Highly transactions

~40% of Country Planners

To-Be

Countries

Light S&OP
Demand Consensus
Finance Commitment
Projections
Improved productivity

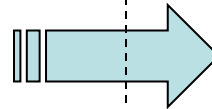
90% of Country Planners

Region

S&OP
AP demand/Supply
Conduit to WWBU
Allocations
Planning Strategy

RDC

Order Fulfillment
Supply Expedites
Inventory
High transactions
Service Level Agreement



X% supply from RDC
Consolidation Opportunity
Supply Chain Specializations

Customer Service – Shared Service



AS-IS

Local Country Process

Account Set up

Customer Master – New/change
Trigger Credit Release
Letter of Credit

90% of the CS activities are transactional

Complaints Management

Customer Feedback
PIR
Short/Over shipment
Damage
Pricing Errors

Order Management

Standard orders,
Service agreements
Backorder
Order Consolidation
Batch Management

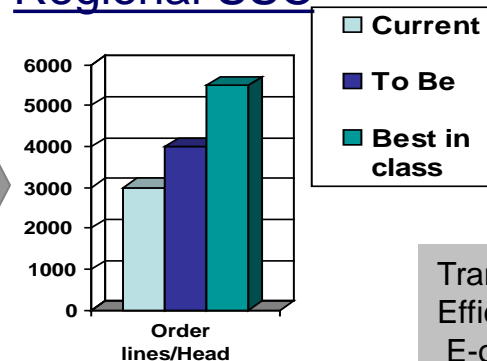
TO-BE Model

Country Business Partner

Customer Care
Direct account management
Distributor Management
Effectiveness
Customer escalations
Local Legal/Regulatory compliance

TO-BE Model

Regional SSC



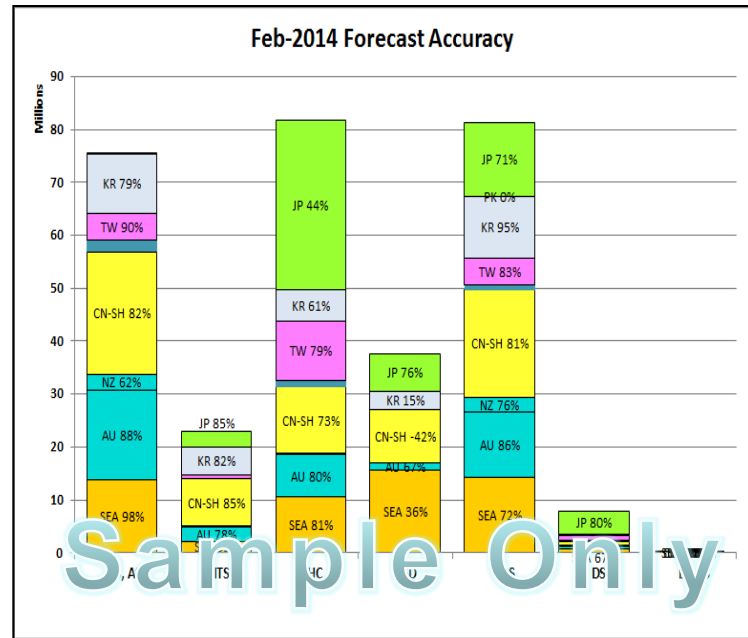
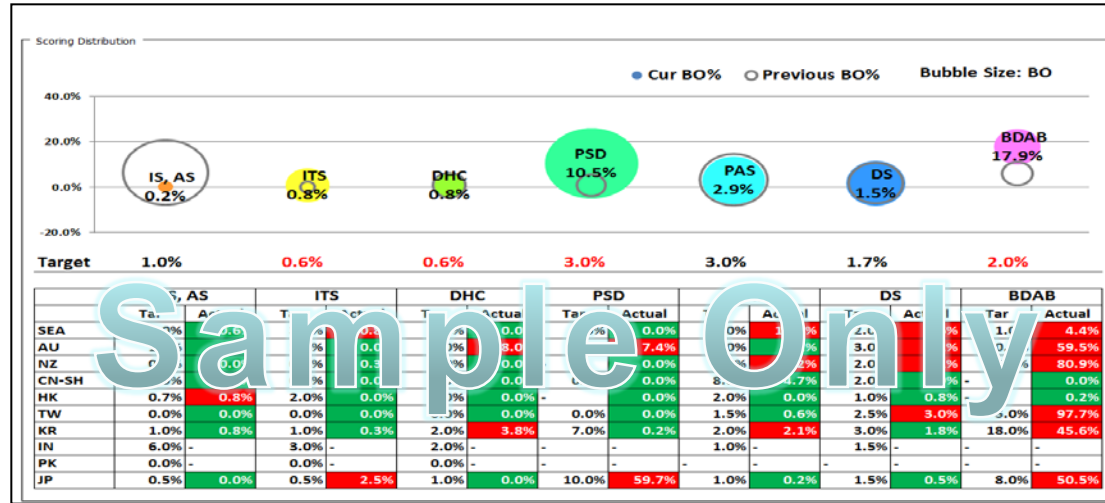
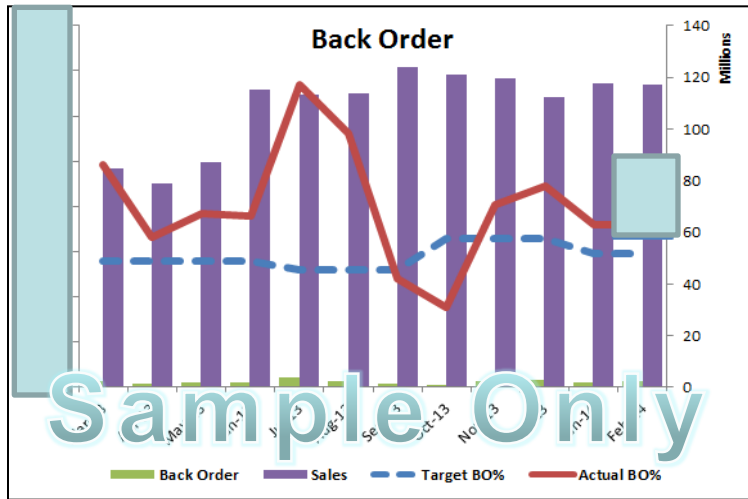
Headcount: X ↓

Transactional
Efficiency driven
E-order
Multi-Lingual
Multi-Time zones
Align to EVEREST

10% Non Transactional

90% Transactional

Launch of SCM Metrics Dashboard in FY13



Historical trending
Good for analysis & improvement

Multi measurements,
Biz aggregations in ONE single view

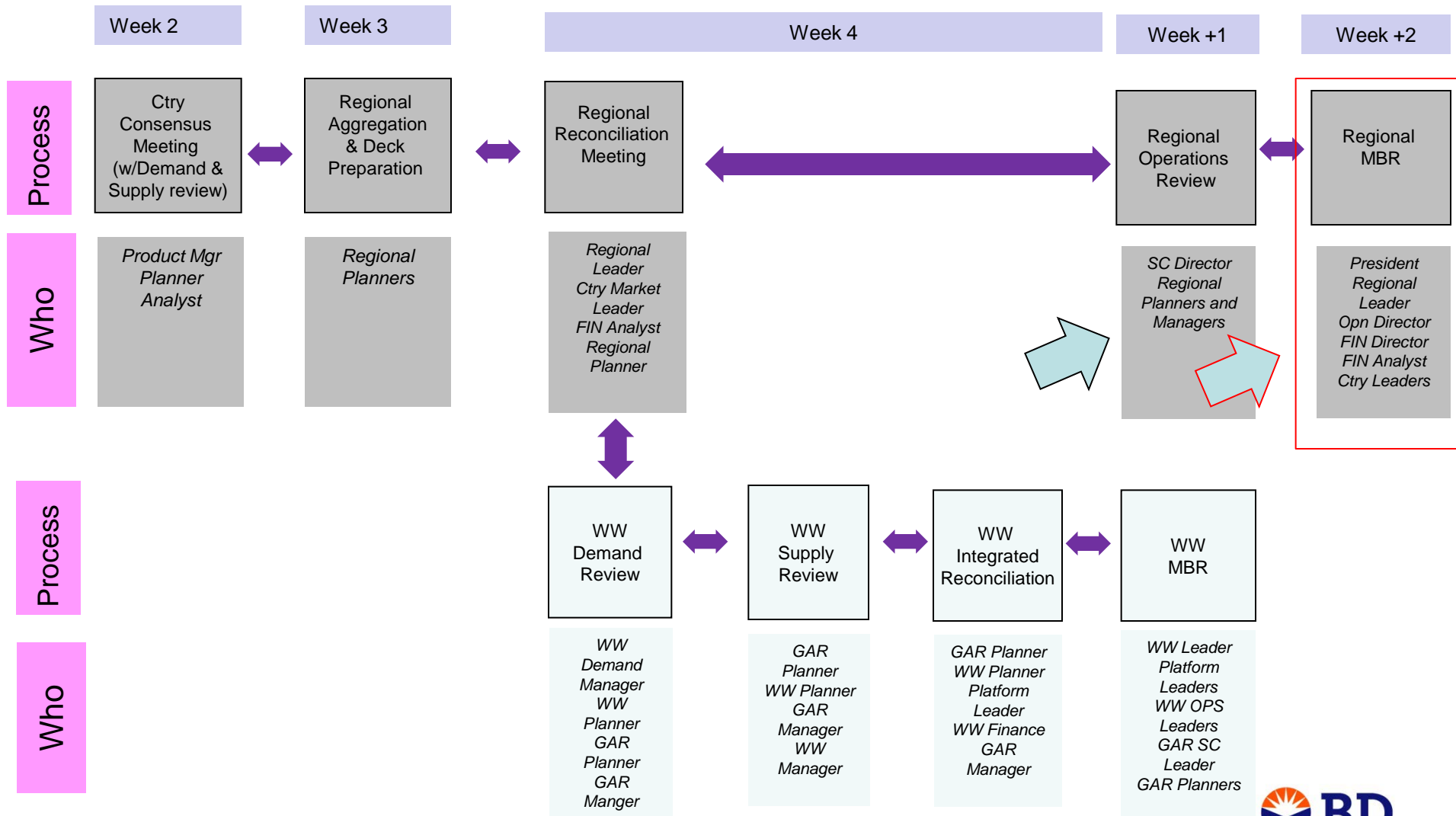
Slice & Dice capability

Understand BU weightage & impact to SCM

Automation Drive productivity- country & region

Color Coding Better visualization of performance across biz & countries

FY14 Greater Asia Integrated S&OP Process Steps



Path Forward – Customer Centric Supply Chain

- 2020 Logistics Implication in Life Science –



- Differentiated Supply Chain
 - Direct Distribution to End Customers
 - Geographic expansion
 - Supply Chain Visibility
 - Flexible Manufacturing Supply Chain
- Other trends to watch out
 - Big data
 - Internet of Things
 - UDI (Unique Device Identification)

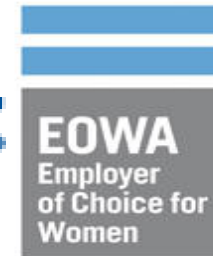
Top Corporate Contributors

Recognition & Awards



FTSE4Good

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM





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