

**BUSINESS DIVESTMENT
SUPPORTING THE SUPPLY CHAIN
IN THE MEDIUM-LONG TERM**

BACKGROUND

A large international pharmaceutical company decides to buy out a rival firm. The transaction is subject to the approval of the European regulatory authority, mainly to avoid the risk of a monopoly. Therefore, the divestment of these specific products requires not only to transfer the market's responsibility, but also all the manufacturing technology, distribution channels, clinical trials, and the intellectual propriety assets.

Both the buying and selling company have to find a model that allows them to plan and implement product supply schedules despite having different, and potentially incompatible, forecasting tools and procedures. Moreover, when the selling company owns a product in their portfolio that is in direct competition with the product being sold, the procedure becomes even more complex.

APPROACH

This type of situation requires an adequate forecasting/ordering system of the product, along with a series of important strategic and operational considerations such as: the partner's remote access to the system; nondisclosure of data; timing of planning cycles, and the potential to run simulations of future scenarios in an 'ex-situ' system.

SKKIP provides a suitable solution and proposes an independent platform with an event-based simulation

system. The platform analyzes the existing situation and models the production process of the selling company by duplicating it with step-by-step production logics that perfectly replicate the timing, outputs and possible deviations of a pharmaceutical production system.

In addition, SKKIP can model the distribution and selling channels of the buying company, while taking great care to value warehouse management, both in terms of working capital and supply chain continuity.

ADVANTAGES

The system allows for both a detailed sales management structure (down to the individual client) – which can be either future or planned – as well as converting these requirements to supply orders.

The model gathers these two elements together in a single platform that complies with the nondisclosure needs of every user thanks to a dedicated GUI (Graphical User Interface) and advanced cryptography.

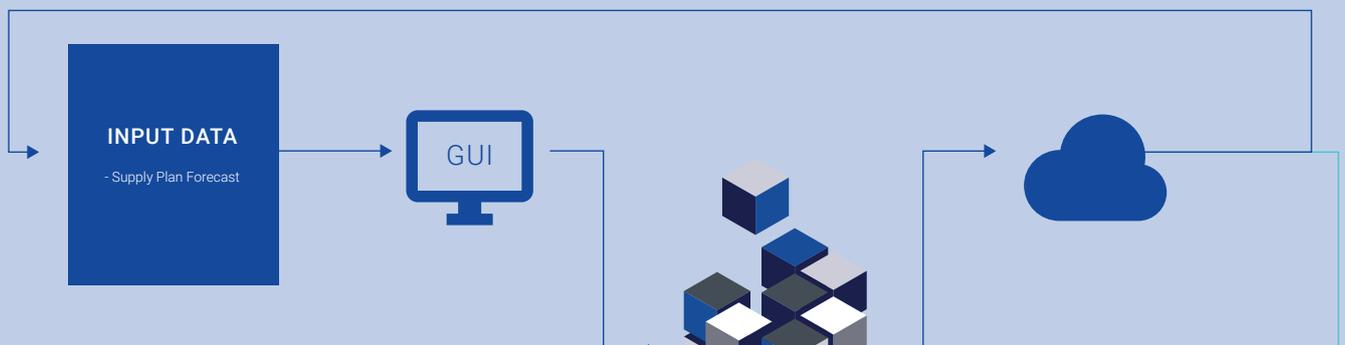
It is able to model disruptive events both at production and selling levels, and therefore enables to test the robustness of the whole supply chain.

It is also possible to put the solution on Cloud independently from the buyer and seller's operating systems, so that both parties are not obliged to give their counterparties access to their own systems.

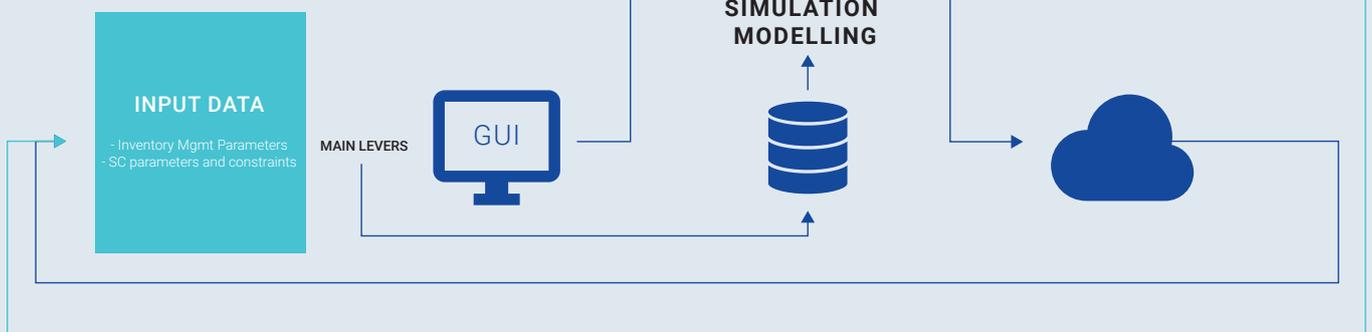
OUR APPROACH

- Transfer of manufacturing technology, distribution channels, intellectual propriety assets etc.
- Incompatible portfolios
- Different forecasting tools
- Nondisclosure of data
- Timing of planning cycles
- Remote access to partner's operating system

BUYING COMPANY



SELLING COMPANY



- Perfect replica of timing, outputs and possible deviation of production system
- Situational analysis
- Demand feasibility analysis
- Detailed sales management structure
- Identification of disruptive events (production and selling level)
- Testing robustness of the supply chain
- Solutions uploaded on Cloud



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