

# Case Study of a garment Pharmaceutical company

# About the client and his pain points

- ❖ The client is an pharmaceutical Company in Navi Mumbai
- ❖ The management had challenges such as –
  - ❖ The bad debts were on rise as there were control issues in Accounts receivables collection management
  - ❖ There were lots of products which were being returned very close to expiry or after expiry date. along with cost of products loss , there was a cost of destruction attached to such returns.
  - ❖ The management of faced the stock out of few SKUs and often missed the opportunities due to no reorder analysis .



# What did we do ?

- ❖ Our team first worked with finance team to generate reports that will enable collection team to prioritize high-risk collections , we established processes for better collection management and for negotiating payment terms based on collection analysis .
- ❖ Our team established automatic processes to generate near expiry product reports to vendors and intimating return policy on the same to them, ensuring the specified products , if unsold , returns back to company at least 6-9 months before its expiry.
- ❖ We designed and implemented product wise reorder level. We also established this controls in the systems of company to intimate management the moment product goes below reorder level.

# Results Delivered

- ❖ The Management has a better oversight on product costing and margins . Helps them to strategize market penetration.
- ❖ The efficient reporting and collection processes has resulted in decrease of bad debts from 12% to less than 2%.
- ❖ The expiry report mechanism has ensured that all the near expiry products are sent back to us 9 months before expiry and we clear the same out marketing strategies and there's no stock wastage.
- ❖ The reorder level are ensuring that fast selling SKUs are moving at pace and there's no working capital blockage in slow moving SKUs.
- ❖ Overall , the Net profit margins are soaring high and management is able skim the SKU portfolio basis the profitability.