



CASE STORY

DOCUMENTING AND CHALLENGING THE DISTRIBUTION STRATEGY

THE TASK

In 2009 LEO Pharma announced its new growth strategy the “Going for Gold” strategy, aiming at a two digit revenue growth rate derived from increased sales, entering into new geographical markets and from new product introductions. This was the result of a strategic shift that has taken LEO Pharma from being a company focusing on a wide and heterogeneous product portfolio and on serving the local markets in Europe; to being a global pharmaceutical company focusing on core competences and on becoming a top player within dermatology and critical care.

As a consequence of the new growth strategy LEO Pharma Group Logistics needed to assess to what extent the LEO Pharma global distribution setup was aligned and capable of supporting a two digit revenue growth derived from entering into new markets and introducing new products.

SCOPTI Management Consulting was engaged in order to structure and document the distribution strategy in force and challenge the strategy when placed alongside with the “Going for Gold” strategy and industry best practice.

APPROACH

The SCOR-framework was adapted and applied in the project as the way of providing a structured approach and introducing LEO Pharma to a framework that would serve as basis for future distribution strategy development. Using the adapted SCOR framework, five sub-strategies were assessed, (see the figure). A number of workshops were held with key employees from the Group logistics department revolving around the five sub-strategies of distribution, and the transverse subjects of finance & performance management, people & organization, and technology.

SCOPTI Management Consulting assisted LEO Pharma by:

- Defining and structuring the strategic elements of a distribution strategy
- Adapting the SCOR-framework to the specific situation
- Preparing questionnaire-guidelines and themes for workshops
- Developing analytical tools for evaluating maturity level when compared with industry best practice and assessing risk

This gave Group Logistics a basis and inspiration for further development of the distribution strategy, in order to sustain and increase its level of competitiveness and ensuring its alignment to the “Going for Gold” growth strategy.

Furthermore, by continuously involving and activating key-employees from LEO Pharma in the project; the joint understanding of the activities and responsibilities within

THE ENHANCED SCOR-FRAMEWORK



An enhanced version of the SCOR-framework was adapted and applied in the documentation of LEO Pharma’s distribution strategy.

The project revolved around the five sub-strategies of distribution defined by SCOR, and was enhanced by including the transverse subjects of:

1. finance & performance management,
2. people & organization,
3. and technology.

- Facilitating workshops and extracting strategic choices and conclusions
- Assessing processes, material flows, information flows and interaction to other parties
- Documenting the distribution strategy and identified strategic fields of attention in a complete report and in a condensed presentation format.
- Defining a project catalogue of initiatives to align the current global distribution setup further with the new corporate growth strategy

distribution, and the challenges that lay ahead was further matured.

LEO PHARMA’S RESPONSE

Steen Winther, Director Group Logistics, LEO Pharma, 2010:

- “The SCOPTI consultants have good understanding of our specific situation and business procedures.”
- “The SCOPTI consultants possess good knowledge of the pharmaceutical industry; hence we were able to quickly focus on the essence of the project.”
- “Having worked with SCOPTI, I see them capable of supporting us everywhere in the supply chain with good results.”

SOLUTION AND RESULTS

LEO Pharma received a carefully prepared documentation of their distribution strategy including maturity and risk assessments, and an identification of three strategic fields of attention containing 14 project initiatives.

FOR MORE INFORMATION

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