



Healthcare

PL DEVELOPMENTS

Vendor Managed Inventory 2.0

TricorBraun Acts as an Extension of PL Developments' Procurement Team

Today, the Vendor Managed Inventory (VMI) program that TricorBraun has put in place with customer, PL Developments (PLD), a leading supplier of over-the-counter, FDA approved pharmaceutical and nutritional products, has evolved into a valuable extension of their own team. According to Tom Crowe, Chief Supply Chain Officer at PLD,

"We would need an army of people with experience to provide what TricorBraun has provided to us." Instead, according to Crowe, "PLD has been able to keep their own replenishment team the same size. TricorBraun brings sourcing to the table in the form of global suppliers, innovations and a very aggressive cost savings that keeps us competitive."

Domestic and international sourcing of materials, resins, closures that are lighter and stronger is all in a day's work. Crowe says, "Sometimes, we have innovative ideas (such as dose guards or clear bottles that allow consumers to see softgel capsules) and TricorBraun is able to explore these for us and keep us fresh with the innovative options that we can provide." The collaborative partnership with TricorBraun eliminates redundancy of supply and keeps our suppliers competitive in terms of pricing.

"With TricorBraun, it's an ongoing process. They have always adjusted inventory quantity to meet our needs – since the beginning of the program. They proactively look at new, available technologies and different ways to lower our costs."

—Tom Crowe, Chief Supply Chain Officer,
PL Developments

The TricorBraun team looks at our forecasts and production schedules and provides JIT delivery. PLD has now modeled this program with other suppliers to become more strategic in terms of meeting demand while maintaining cost and time efficiencies. Additionally, the program with TricorBraun was scalable in spite of an acquisition in 2013 that doubled PLD's business.

"The competitive nature of our business forces us to rely on our suppliers to find cost saving initiatives every year," says Crowe. According to Scott Danheiser, Vice President of Business Development, at TricorBraun, "Over the last five years, as PLD's partner, we have been able to triple their cost savings. We have moved packages to more competitive suppliers, increased cavitation where appropriate, moved to more attractive logistical locations. The business has grown three times for them, including the Aaron acquisition. We now manage more

than two dozen suppliers and the number of components we manage has climbed from 65 to more than 140. Virtually zero inventory is carried by PLD because they take releases everyday of packaging components." Barcoding is currently used for inventory but there are plans in the works to go live with an EDI system this spring.

TricorBraun still maintains approximately 50,000 square feet of the original warehouse space in Westbury, Long Island and now utilizes Cerritos, California for various items and stages wares at the PLD warehouse in

South Carolina. According to Carolyn Negrycz, Account Coordinator, TricorBraun, "Each site is a little different, so we have customized the program as needed based on different requirements and forecasting levels. Our process with PLD and other customers is to personalize the program for the best ROI."

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While forecasts and new business requirements are discussed and verified every 30 days or as needed, there are certain times of the year, for example, cold and flu season, when demand spikes. "We understand that this (the forecast) is a living thing so we adjust inventory levels to meet their needs and remain flexible with our requirements. We also meet with PLD monthly to review any increases or new items that will impact overall business," states Danheiser.

According to Crowe, "Any limitations to the program or the value that TricorBraun can bring is strictly due to the limitations that PLD has placed on the program to coincide with the GMPs (Good Manufacturing Processes) we have in place and not at all a function of TricorBraun's commitment or support."

PL Developments, also known as PLD, is a leading manufacturer, packager, and distributor of over-the-counter (OTC) pharmaceutical products and consumer healthcare goods. We have more than 1,000 employees, more than 1 million sq. ft. of state-of-the-art pharmaceutical facilities, and a global presence. We pride ourselves on delivering the highest quality products in the most cost-efficient manner possible. At PLD, all production and material handling is performed under strict FDA guidelines and cGMP practices, ensuring every product we make meets and even exceeds industry standards. Our unwavering commitment to innovation keeps PLD at the forefront of our industry.

TricorBraun Design & Engineering Group is a business unit of TricorBraun, one of North America's leading providers of rigid, corrugated and flexible packaging. Our team's primary mission is to design, engineer and manage the development, production and commercialization of custom packaging solutions for personal care, cosmetics, healthcare, food and beverage, industrial household chemical and animal health products. It is supported by TricorBraun's more than 40 offices globally, holding one of the largest inventories of rigid packaging components worldwide.

For more information about TricorBraun Design & Engineering Group, please contact Charmaine Laine, Marketing Communications Manager, at claine@tricorbraun.com or 630-645-1208.