

The life sciences planning playbook

How to improve forecast accuracy, inventory
performance and supply continuity





Introduction

In the life sciences and healthcare sector, planning is about far more than operational efficiency. Every planning decision has the potential to affect product availability, manufacturing performance, regulatory compliance, customer service, and, ultimately, patient outcomes.

For many organisations, balancing supply and demand has become increasingly challenging. Markets are evolving more rapidly. Supply chains are more complex. Product portfolios continue to expand. Regulatory scrutiny remains high. At the same time, businesses face pressure to reduce costs, improve inventory performance, and respond quickly to changing market conditions.

In this environment, traditional planning approaches are being tested. Forecasting based solely on historical demand is no longer enough. Siloed planning processes create delays and inconsistencies. Limited visibility makes it difficult to react quickly when conditions change. The organisations that consistently outperform their peers are often those that have invested in connected planning capabilities that bring together commercial, operational, and supply chain functions around a shared view of demand and supply.

This guide explores how life sciences organisations can improve planning performance, strengthen supply continuity, and build more resilient operations through better forecasting, improved collaboration, and more effective decision-making.

Why planning matters more than ever

Planning influences almost every aspect of a life sciences business. It affects:

- Product availability
- Manufacturing schedules
- Inventory levels
- Customer service performance
- Working capital
- Regulatory obligations
- Supply continuity

When planning is effective, organisations are able to balance market demand with operational capability. When planning falls short, the consequences can be significant.

Examples include:

- Product shortages
- Excess inventory
- Expired stock
- Increased operational costs
- Delayed production schedules
- Reduced service levels

The challenge isn't simply creating a forecast. It's creating a planning process that helps the business make confident decisions in an increasingly uncertain environment.

The hidden cost of poor planning

Many organisations only see the most visible symptoms of planning issues. A product shortage. An inventory build-up. A production delay. However, the wider impact often extends much further.

Poor planning can result in:

- Unnecessary inventory carrying costs
- Increased waste and obsolescence
- Manufacturing inefficiencies
- Reactive decision-making

Excessive expediting costs

Reduced customer satisfaction

Lost revenue opportunities

In highly regulated industries, the consequences can be even greater. Supply interruptions do not simply create operational challenges. They can affect market supply commitments and patient access to products. This is why planning has become a strategic business capability rather than a purely operational function.

The five foundations of effective planning

1. Improve forecast accuracy

Forecast accuracy remains one of the most important measures of planning performance. While no forecast will ever be perfect, organisations should continually seek to improve their understanding of future demand.

Effective forecasting combines:

Historical sales data

Market intelligence

Product lifecycle information

Customer insights

Commercial input

External market factors

The objective is not predicting the future with complete certainty. It is reducing uncertainty enough to support better business decisions. Small improvements in forecast accuracy can generate significant benefits across inventory, production, and supply chain performance.

2. Connect demand and supply planning

Many organisations still manage demand planning and supply planning as separate activities. Forecasts are produced in one area while operational decisions are made elsewhere.

This disconnect can create challenges such as:



Inventory imbalances

Supply shortages

Production inefficiencies

Conflicting priorities

Leading organisations create stronger links between demand and supply planning. This allows teams to understand the operational implications of commercial decisions and the commercial implications of operational constraints. Connected planning creates greater alignment across the organisation.

3. Improve cross-functional collaboration

Strong planning depends on collaboration. No single department has a complete picture of future demand or operational capability.

Effective planning requires input from:

Commercial teams

Supply chain teams

Manufacturing operations

Finance

Procurement

Customer service functions

When these groups work together, organisations gain a broader understanding of risks, opportunities, and constraints. The result is often stronger decision-making and improved planning performance.

4. Create greater visibility

Many planning challenges stem from limited visibility. Leaders need a clear understanding of:

Demand trends

Inventory positions

Manufacturing capacity

Supply chain constraints

Supplier performance

Product availability

When information is fragmented across departments or systems, decisions become slower and less effective. Greater visibility enables organisations to identify issues earlier and respond more confidently when conditions change. Visibility supports agility. Agility supports performance.

5. Build planning agility

The life sciences sector is increasingly characterised by uncertainty. Customer demand can shift unexpectedly. Supply disruptions can emerge quickly. Market conditions can evolve with limited warning. Agile planning organisations are able to:

Reassess priorities rapidly

Evaluate alternative scenarios

Adjust supply plans

Respond to risk effectively

The ability to adapt is often more valuable than the ability to predict. Agility enables organisations to navigate uncertainty without compromising performance.

Moving beyond forecasting

Many organisations view planning primarily as a forecasting activity. In reality, effective planning is broader than creating demand projections.

It involves making informed decisions about:

Production schedules

Inventory investments

Supply chain priorities

Resource allocation

Business risks

Forecasts are important. However, the real value comes from how organisations use forecasting insights to drive operational decisions. Planning should support action, not simply reporting.

The evolution from S&OP to integrated business planning

For many years, Sales and Operations Planning (S&OP) has helped organisations align commercial and operational priorities. Today, many businesses are moving towards a broader Integrated Business Planning (IBP) approach.

IBP extends planning beyond supply and demand by incorporating:

Financial objectives

Strategic priorities

Product portfolio decisions

Operational capabilities

This creates a more comprehensive view of business performance.

Organisations that successfully adopt integrated planning often benefit from:

Improved alignment

Better decision-making

Greater transparency

Enhanced responsiveness

The objective is to ensure the entire business is working towards the same goals.

Managing inventory more effectively

Inventory remains one of the most important areas influenced by planning. Holding too much inventory increases costs and creates the risk of obsolescence. Holding too little inventory increases the likelihood of shortages and service disruption.

Planning teams must continually balance:

Service levels

Working capital

Supply chain risk

Product availability

The most successful organisations treat inventory as a strategic asset. They use planning processes to optimise inventory rather than simply reduce it. The right inventory strategy supports both operational performance and business resilience.

Planning for supply continuity

Supply continuity is a critical priority within life sciences and healthcare. Patients, healthcare providers, and customers depend on reliable product availability. This requires planning processes that can identify potential risks before they affect supply.

Areas that should be monitored include:

Forecast volatility

Supplier performance

Manufacturing capacity

Inventory levels

Material availability

Organisations that identify risks early have more options available to mitigate them. The ability to anticipate disruption is often what separates resilient organisations from reactive ones.

The role of data in modern planning

Planning quality depends heavily on information quality. Many organisations continue to struggle with:

Inconsistent data

Duplicate records

Limited visibility

Spreadsheet dependency

Siloed information sources

These issues can undermine confidence in planning outputs. Strong planning organisations invest in improving data quality and creating consistent information sources across the business. Reliable data provides the foundation for reliable decisions. Without trust in the data, trust in the plan becomes difficult to achieve.

Measuring planning performance

Planning should be measured like any other business capability. Useful metrics may include:

Forecast accuracy
Inventory turns
Service levels
Product availability
Planning cycle time
Supply plan adherence
Obsolescence levels
Working capital performance

Measurement helps organisations understand where improvements are being made and where additional attention may be required. Performance improves when it is monitored consistently.

Common planning challenges

While every organisation is different, several challenges appear regularly across the life sciences sector.

Siloed decision-making

Functions operate independently rather than collaboratively.

Poor forecast quality

Forecasts fail to reflect changing market conditions.

Reactive planning

Issues are addressed after they have already affected performance.

Limited visibility

Decision-makers lack access to timely information.

Inconsistent data

Planning outputs are undermined by unreliable information.

Recognising these challenges is the first step towards overcoming them.

What high-performing organisations do differently

Across the life sciences sector, strong planning organisations tend to share several common characteristics. They:



Prioritise collaboration.
Connect demand and supply planning.
Improve visibility across the business.
Invest in data quality.
Monitor performance consistently.
Build agility into planning processes.

Most importantly, they treat planning as a strategic capability rather than an administrative exercise. Planning becomes a driver of business performance.

Looking ahead

The complexity facing life sciences and healthcare organisations is unlikely to diminish. Product portfolios will continue to expand. Supply networks will remain challenging. Customer expectations will increase. Regulatory pressures will continue.

The organisations best positioned for future success will be those capable of making informed decisions quickly and confidently. Strong planning capabilities provide the foundation for achieving this.

Final thoughts

Planning sits at the heart of operational performance. It influences supply continuity, inventory management, manufacturing efficiency, customer service, and financial performance. Yet effective planning is not simply about producing better forecasts. It is about creating alignment across the business, improving visibility, strengthening decision-making, and building the agility needed to respond to change.

The organisations that invest in planning excellence today will be better positioned to manage uncertainty, improve performance, and support sustainable growth tomorrow. In a sector where reliability matters, strong planning creates a powerful competitive advantage.

About TCT

At TCT, we help Life Sciences and Healthcare organisations improve planning performance through SAP-enabled transformation, planning maturity assessments,

Integrated Business Planning (IBP), operational readiness, and business process optimisation. Our consultants work alongside commercial, supply chain, manufacturing, and technology teams to help organisations improve forecast accuracy, optimise inventory, and strengthen supply continuity.

Looking to improve planning performance and unlock more value from your SAP investment? Speak to TCT about building a planning capability that supports growth, resilience, and operational excellence.



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