



case study

Boiron Group

What is Boiron Group?

Founded in 1932 in Lyon, France, Boiron Group is an international company that manufactures and distributes homeopathic medicine to retailers, physicians, brokers and distributors. The company began distributing its products in the United States in 1983 and is best known for its top-selling flu symptom medication, Oscilloccoccinum.

UPS Meets Pharmaceutical Company Boiron's Needs With a Perfect Solution

Business Challenge

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As sales climbed in the U.S., Boiron soon realized it had to bridge the gap between its manufacturing in France and its distribution in the United States. Specifically, it needed a warehousing solution that would be compliant with applicable U.S. regulations. In addition to compliance, Boiron needed a flexible storage solution that would allow for growth without the need to build a larger warehouse. Boiron also needed a distribution partner that would reliably ship customer orders.

The Solution

The year was 1996 and Mark Land, vice president of operations and regulatory affairs for Boiron, said few firms were providing reliable and compliant warehousing in the United States. Land met with four companies that offered such a solution before choosing Livingston Inc. The decision was based on Livingston's tight lot-level control over inventory and its superior facilities that were conveniently located near Boiron's two facilities in Delaware and California. Land found the Livingston facilities to be clean, well-lit and secure.

In 2000, UPS acquired Livingston Inc. and expanded services for Boiron and other healthcare companies to include receiving, warehousing, order selection, distribution and a range of special services. Special services for Boiron included a variety of packaging projects, such as in-store displays for retailers and configuring special pallets for customer shipments.

Land said service remained strong and consistent during the acquisition. Boiron gained the added benefit of bundling distribution with UPS's less-than-truckload (LTL) shipments and small package delivery. Boiron will incorporate UPS Customs Brokerage capabilities and further leverage the relationship.

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Communication between Boiron and UPS has been seamless from the outset and the benefits can be seen in the results. When Boiron opened for business in the U.S., it primarily sold and shipped products to 800 natural product stores and physician practices, while relying on UPS to handle larger shipments to store chains and distributors. Processing orders has always started with Boiron transmitting an order to the corresponding warehouse management system. Once received, UPS's warehouse management system provides a picking ticket, the employee packs the order and the package is shipped to U.S. customers via UPS Freight or the UPS small package network. In the future, Boiron will further rely on UPS's reliable handling of customer orders as Boiron expands its business to mass market accounts.

Results

Land said the biggest advantage of working with UPS has been its scalability. Boiron's sales have a heavy seasonal component in the winter months due to high demand for its flu products. UPS accommodates that seasonal change by scaling up as much as 50 percent from summer to winter months.

"There have been times like the 2004-2005 flu season when we had a virulent flu strain and a shortage of flu vaccines and demand was extremely high. UPS met that overwhelming demand for supplies by offering timely, reliable service. That's invaluable to our business and keeps customers coming back," said Land.

UPS has been flexible in other ways too such as with easily distributing new products. When Boiron is required to stage a new product in inventory before distribution, UPS provides the additional warehouse capacity.

"UPS provides scalability and meets our general business growth each year without us having to build additional capacity of our own," said Land.

Perhaps most importantly, Land said, is the relationship between Boiron and UPS. It is a strong one. He credits this to a routine cooperation to keep things flowing consistently. The two companies have regular conference calls to discuss the status of orders and distribution. In addition, Land said UPS provides reliable service, careful control over inventory and a reliable level of control over its own facilities.

The positive results are evident. Boiron has enjoyed an annual growth rate of 10 to 25 percent per year over the past five years. And in the U.S. alone, Boiron now offers more than 100 over-the-counter products to treat allergies, coughs, cold, stress, arthritis pain and muscle pain. Land said that Boiron's growth would not be possible without UPS providing its flexible warehousing and distribution services on a consistent basis.

