

CASE STUDY

DHL HELPS GLOBAL PHARMACEUTICAL LEADER MOVE FROM PASSIVE TO ACTIVE COLD CHAIN DISTRIBUTION IN TURKEY

This global pharmaceutical company has a heritage that stretches back more than 135 years and is a leading provider of treatments for diabetes, endocrine disorders, depression, schizophrenia and other illnesses. It has been providing services in Turkey for over 50 years and currently manufacturers product in 13 countries, conducts clinical research in 55 countries, and markets products in 125 countries.

This company has worked with DHL Supply Chain in Turkey since 1996, trusting DHL to maintain regulatory compliance and provide the supply chain quality and efficiency required to support its growth in Turkey.

CUSTOMER CHALLENGE

While the company maintains a mature and reliable supply chain in Turkey, it is always looking for opportunities to use the supply chain to respond to market changes and competitive pressures. With an increase in the production of generic drugs in Turkey and a change in health policy by the Turkish government expected in the coming years, the company saw an opportunity to improve the processes associated with the distribution of temperature-controlled product. Specifically, the company wanted to not only get in front of the coming regulatory requirements, but also reduce the consumables used in transporting temperature-controlled product by becoming the first pharmaceutical company in Turkey to move from passive to active cold-chain distribution.

CUSTOMER CHALLENGE:

- Growing cost of consumables used in cold-chain distribution
- Expected changes in the new GDP (Good Distribution Practices) regulations based on European Union standards
- Manual-intensive processes for product distribution and compliance

DHL SUPPLY CHAIN SOLUTION:

- Consolidated temperature-sensitive product within the warehouse
- Customized refrigerated trucks to enable full visibility into the temperature by the driver and remote personnel
- Piloted fully active cold-chain distribution in Istanbul prior to full rollout

CUSTOMER BENEFITS:

- Elimination of consumables cut costs by 38 percent and reduced the supply chain's carbon footprint
- Elimination of manual processes required to pack product for transport resulted in additional savings
- Simplified regulatory compliance



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DHL SUPPLY CHAIN SOLUTION

Working with this customer, DHL designed the first active cold-chain pharmaceutical distribution solution in Turkey. DHL analyzed the savings that could be realized by consolidating cold-chain inventory within the Istanbul warehouse and shipping it to wholesalers in refrigerated trucks rather than packing product in special packaging.

Once the value of the concept was demonstrated, DHL managed the transition from passive to active cold chain distribution by first piloting the solution to wholesalers in Istanbul before rolling it out to the entire country.

As part of the solution, DHL customized refrigerated trucks to provide full visibility into product temperature. A special display mounted in the cab of the truck allows the operator to monitor temperature during transport. In addition, temperature and location of the trucks can be monitored remotely via the web.

With this solution, product can be picked directly from storage and loaded on the refrigerated truck, without extra handling, and shipped with complete visibility into the temperature of the product throughout the process.

Compliance was also simplified by providing continuous visibility into product temperatures digitally and by making the move to active cold-chain distribution ahead of regulation, the company strengthened its position as a leader in the industry. Overall, the company received an estimated 70% cost saving by switching to an active distribution model.

QUOTE

"This program for this global pharmaceutical leader demonstrates the viability and economic benefits of active cold-chain pharmaceutical distribution. This represents the future of cold-chain distribution and establishes best practices for the industry."

DHL Name
Title

CUSTOMER BENEFIT

As a result of the transition from passive to active cold chain distribution, this customer has been able to cut supply chain costs, streamline processes and simplify regulatory compliance.

By eliminating the need to purchase consumables for packaging, including Styrofoam and cold packs, the company was able to reduce its carbon footprint and cut supply chain costs by 38 percent. Additional efficiencies were realized through the elimination of packing processes and the need to maintain freezers for consumable storage.

For further information
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