

CASE STUDY

SPREADING BUSINESS RISK FOR A MAJOR BIOPHARMACEUTICAL MANUFACTURER



DHL is in partnership with one of the world's leading specialty biopharmaceutical companies. Their focus is on developing treatments for conditions where the impact of drugs can make an immediate and tangible difference for patients.

This might be a therapy to treat an extremely rare and life-threatening disease like Hunter Syndrome or Fabry Disease; or a medicine for a specialist condition like ADHD or ulcerative colitis. Through the Human Genetic Therapies (HGT) business, the customer pursues opportunities on behalf of patients and families facing such rare diseases and whose very lives often hinge on the discovery and delivery of extraordinary medicines.

CUSTOMER CHALLENGE

Due to the extremely high value of biopharmaceutical products the company's significantly high stock levels means that they are faced with substantially high inventory values.

Stock levels are stimulated further by country specific regulations. In addition, business continuity and reducing risk was of foremost concern. The company's whole inventory is from one single manufacturer, and in one single location in the Nordics. This leads to significant risk factors, none of which are helped by having a sizable production lead-time.

With all this in mind, the customer was looking for a backup warehouse location in the EMEA region to help spread the business risk.

CUSTOMER CHALLENGE:

- High value products creating high inventory
- Business Continuity – single manufacturer, single location and challenging lead-time

DHL SUPPLY CHAIN SOLUTION:

- Secure and dedicated segregation for the receipt/release of components and naked vials – adhering to GMP standards within the RDC, Nijmegen
- Optimising floor space to create a Final Presentation area
- QP release and storage (full visibility of safety inventory levels via Gamp5 validated IT platform)
- Cross-border EMEA distribution, reduce missing products and increasing visibility

CUSTOMER BENEFITS:

- Reduced stock value and market specific inventory levels
- Reduced lead time and market specific requests
- Single point of contact throughout supply chain
- Independent partner with certifications and licences
- Customer can concentrate on developing drugs to market



DHL SUPPLY CHAIN SOLUTION

The first step was creating a secure and dedicated area within the multi user Pharmaceutical grade warehousing in Nijmegen, The Netherlands, which gave clear segregation for the receipt and subsequent release of components and naked vials. While conforming to the Good Manufacturing Practice (GMP) standard across the newly established regional distribution centre.

Through optimising floor space and layout within the site a final presentation area could be developed for contract manufacturing activities. This enabled the following to be completed on site:

- print labels
- batch-number assignment
- carton printing
- leaflet printing
- physical packing towards market specific products

While QP release takes place and storage undertaken for inventory (full visibility of safety inventory levels via Gamp5 validated IT platform).

To improve efficiency and traceability, DHL managed the regional (cross-border) distribution towards pharmacies across Europe. This further helped to reduce missing products and introduce greater visibility throughout the supply chain.

Due to the level and quality that DHL provided in July 2010 a project was initiated to upgrade the operation and DHL became the customers main logistic partner (contract manufacturing and distribution). This was testament to the success and ability to deliver beyond customer expectations.

CUSTOMER BENEFIT

By improving traceability and visibility, DHL was able to reduce stock value which helped to reduce financial risk. In addition stock values were reduced further through the reduction of market specific inventory levels through introduction of the regional distribution centre.

Another risk was product lead-time, DHL managed to reduce this by an improved logistics network and regional distribution centre which created a more agile supply chain that naturally reduced response time to market specific requests. Furthermore by only having one contract partner it meant that only one point of contact was needed. This improves communication and helps to reduce time scales.

DHL is an independent partner that complies with GDP & GMP standards and holds certifications/licenses that include; ISO9001:2008, ISO13485:2003, ISO14001:2004, Wholesale dealers licence, Limited Manufacturing licensed and Controlled drugs license.

DHL's quality structure ensures that all staff are trained to the highest operational levels, best practices from across all industry sectors are used, and allow for continuous improvements through the standardised process of Corrective And Preventative Action (CAPA) reports/plans. Leaving our customer to concentrate on their core goal of developing new drugs and getting them to market quickly.

For further information

Contact our supply chain experts:

supplychain@dhl.com

www.dhl.com/supplychain