

Mind map for Pharma Supply Chains 2014

The pharmaceutical industry is facing many important developments: ‘pharmerging’ markets, advancements in science and technology, and increasing regulation. These external trends are having a huge impact on pharmaceutical manufacturers, both at strategic level and at operational level within their supply chains. Together with logistics service provider DSV Solutions, Supply Chain Movement has created a mind map outlining the route for pharmaceutical supply chains, including road signs indicating potential hazards along the way.

Creators Mind map:


Global Transport and Logistics


SUPPLY CHAIN MOVEMENT



MIND MAP MANUAL

Challenging healthcare market

The pharmaceutical industry is currently facing several challenges as the result of various external trends, as shown in the first quadrant of the mind map in the top-left corner. Changes include the patent cliff and a power shift from doctors towards the health authorities, health insurance companies and patients themselves. Today's patients are

more empowered and know more about their illnesses, medication and methods of treatment. Furthermore, it is becoming increasingly difficult to get pharmaceuticals listed for reimbursement. These challenges – and the associated risks – have become global in their scope.

Impact on pharmaceutical companies

As a response to these market changes, pharmaceutical companies are trying different strategies and expanding their portfolios beyond prescription drugs. The patent cliff is an opportunity for health insurers and patients to accelerate generic penetration, stabilise costs and insist on value for money. Quality and compliance issues are also on

the rise, creating more risk in the supply chain. The industry's current supply chain model often does not meet these challenges. This requires pharmaceutical companies to develop new capabilities and to link their supply chain strategy to their business strategy more effectively.

Challenges for the supply chain

Manufacturing and the overall supply chain can both be seen as potential sources of performance improvement, and efficiency can be increased by optimising them. Although consolidation, outsourcing, acquisitions and partnerships are part of everyday business life in the pharmaceutical industry, it is key that systems and cultures are integrated in order to capture value in the supply chain.

Supply chain solutions

Better supply chain performance results in significant strategic benefits. It will reduce costs by shortening manufacturing lead times, reducing inventory levels across the value chain and making it harder for counterfeit products to enter the supply chain. Like many sectors, the pharmaceutical industry is improving access in developed markets and looking at emerging markets to fuel

growth, especially for the generics business. Putting patients at the centre of strategy and operations, and focusing on health outcomes rather than medicines, enables a pharmaceutical company to set itself apart from its competitors and create long-lasting value.

