

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 Impact on pharmaceutical companies 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

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 every- ing it harder for counterfeit products to enter the day 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 maksupply chain. Like many sectors, the pharmaceutical industry is improving access in developed markets and looking at emerging markets to fuel

nerging markets remote diagnostics increase of Mergers & Acquisitions former distribut direct sales parallel trade home care clinical trials handling packaging activities order to cash services increasing demand for proving product value i<mark>ncreases i</mark>n services more demanding customers stricter SLA's strict regulatory guidelines integration of operations after merger/acquisiti ncreasing security & liability requirements purchase start-ups with promising intellectual property consignment stock shipments tracking & tracing theft counterfeit share potentially sensitive information co-development new substances R&D tight collaboratio operations property rights marketing from 'made on forecast' co-production to 'make to order' alignment production planning production under license complex stable production management of partners country specific labellin Instructions For Use (IFU) ooling technologies for medication ncreasing demand for transportati GDP compliance required track & trace requirement distributors export Regional Distribution Centre ward level deliveries nospitals private clinics directly to patient ISO 9001 GMP compliance liance move OTC from consumer healthcare reorganization healthcare divisions to pharma (as consequence of GDP) central stock larger inventories (more SKU's) local stock

repack & labelling decontamination software installation QA inspection of products consigned inventory management

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.

