



The perfect prescription

Healthy care for healthcare companies

Generic pharmaceuticals make up one of the fastest-growing sectors in healthcare. From one-third to one-half of all generics come from India, home of Lupin's parent company, Lupin Ltd.

One of the five largest pharmaceutical companies on the subcontinent, Lupin Ltd. supplies high-quality branded and generic medications to healthcare professionals and patients globally.

Situation

Lupin Pharmaceuticals, Inc. wanted a logistics partner to warehouse and distribute imported generic drug products at facilities built to exacting regulatory and safety standards. The partner would need to consistently meet speed and reliability requirements for distribution, scale up or down to handle fluctuating volume, and possess the experience and infrastructure to expertly stage new product launches.

Lupin's keys to success:

- Operational efficiency
- Scale and flexibility
- Maintaining regulatory compliance
- Global platform

Logistics solutions

UPS transformed Lupin's entire U.S. supply chain into a competitive advantage.

With amazing speed (and no service disruptions), UPS established Lupin in world-class warehousing capabilities at its Healthcare campus in Louisville, KY. UPS then supported the pharma giant with the versatile vertical integration capabilities of an extensive, scalable transportation network. By leveraging Managed Transportation Service, UPS found ways to reduce Lupin's costs by 50 cents per pound on millions of pounds shipped annually.

Lupin leverages UPS scalability, flexible price/space allocation options, a single integrated global IT platform, extensive quality assurance expertise, and a proven ability to execute new product launches to control its costs and grow its revenues.



Generic drugs, never generic service

The U.S. ranks as a top market for generic drug imports. These require safe, ample warehouse storage that meets all regulatory standards (FDA, DEA, state). Generics also need distribution at highly competitive speed and reliability standards. Since it's difficult for generic pharmaceutical firms to differentiate themselves in the manufacturing process, they compete on price, reliability/supply, and customer service.

Lupin sought an economically efficient provider of warehouse distribution services. But the company also wanted a global growth partner, a logistics enterprise with long-term potential and problem-solving capabilities for supply chain issues, fluctuating demand, and inventory reliability.

Lupin imports thousands of pallets of pharmaceutical products annually (mostly by air freight). Ultimately Lupin's products go to pharmacists, and are then dispersed to patients. Both customers have very low tolerance for delays. (Without a ready generic drug supply, pharmacist can't meet patients' needs, and patients can't medicate.)

"We swallowed an elephant and digested it in a very short time."

Troy Blodgett, UPS Director of Sales, Healthcare Logistics, and his colleagues signed on as logistics partners for Lupin Pharmaceuticals, Inc. in October 2013. Without missing a shipment, UPS in just seven weeks converted the entire United State supply chain for one of the world's biggest healthcare firms. (It normally takes three to five months to accomplish a large-scale conversion.

The feat deeply impressed Dave Berthold, Lupin's Vice President of Sales-U.S. Generics.

"During the transition, UPS moved 5,000 pallets of products in three weekends," Berthold says. "It was an enormous undertaking with minimal interruption to our customers. The conversion was tremendous."

UPS now warehouses and efficiently distributes generic drug inventory, avoiding back-orders and delays to meet the needs of Lupin's pharmacy clients and patients. UPS has the capability to meet the needs of Lupin's entire product portfolio, from temperature control to DEA-approved/licensed vaults. In fact, UPS set up Lupin's validated storage site in only four weeks – another very fast, very difficult accomplishment.

Scaling up to support sales

After its quick conversion of business, UPS has reinforced Lupin's decision with stellar performance.

Routinely, UPS receives large quantities of LTL trailers, each with some 50 pallets of pills and medicines. After a quality review, UPS unloads these products into a special healthcare-compliant distribution center in Louisville with thousands of dedicated pallet positions. As customers place orders, UPS picks, packs, and ships the pharmaceuticals – a complex task due to the nature of orders (x cartons of this drug, y cartons of another, etc) and also due to the sheer variety of warehoused products.

Volume swings are part of the routine, especially for generic pharma manufacturers. In one notable service event, UPS received 11 containers (trailers) in one day ... and scaled up operations to handle the new volume without a hiccup. UPS managers leveraged a multi-client campus environment and flexed the staffing of fully trained distribution employees to meet Lupin's needs.

"Not many companies can receive 11 additional containers, 400 or 500 pallets of pharmaceuticals, without blinking," said Blodgett. "A company that couldn't warehouse them would have to let them sit on a trailer ... or store them in non-compliant areas."

UPS uncovered ways to reduce Lupin's costs too. Analyzing the firm's supply chain, UPS saw it could take 6 percent of Lupin's air volume and ship it by ground ... at the same speed. The switch saved Lupin \$.50 a pound ... and the company ships millions of pounds annually.

UPS also gave Lupin an improved ability to quickly stage launches for new products. Speed to market and reliability make the difference between winners and losers after a new generic drug receives approval from regulatory agencies. UPS's vast infrastructure and expertise keep Lupin ready to proactively manage product staging at strategic points nationwide.



People make the partnership

Sometimes, Berthold notes, even the biggest business takes a personal turn.

Recently, one of the individuals responsible for the establishment of Lupin in the U.S. was diagnosed with a dire disease. That person needed a chemo cocktail from a specialty pharmacy as soon as possible.

The medicine took off from Kansas scheduled for delivery on a Friday, but a mechanical issue with the airliner delayed the flight.

The medicine arrived in Maryland after scheduled pickup hours, and it looked as if a terribly sick man would have to hang on until Monday to receive possible life-saving treatment.

But late Friday afternoon, Berthold made a personal call to the UPS team to ask for help. It took only minutes to get the right answer.

"UPS somehow, some way, got a package off another plane and delivered it, by van, same day. It's clear that when UPS says *It's A Patient, Not A Package*®, they really mean it."

- Dave Berthold
Vice President of Sales, U.S. Generics
Lupin Pharmaceuticals, Inc.