



case study

Endo Pharmaceuticals

Endo Pharmaceuticals' Unique Business Needs Met by UPS

Client Challenge

Endo Pharmaceuticals was formed by three executives in 1997. With a portfolio of highly regarded products, such as Percocet® tablets, Endo's vision was to become the premier pharmaceutical company focused on pain management. To ensure success, Endo's founders knew that they had to marry their business plan to their supply chain.

Endo executives immediately recognized that their supply chain had special requirements. The company needed a way to track orders placed, monitor outgoing shipments and get paid in a timely manner. It also needed real-time contact with its customers in the retail, wholesale and physician markets. Finally, Endo needed a flexible storage and transportation system that could transport products in a cold chain environment. UPS Supply Chain SolutionsSM had all the capabilities Endo needed.

"We interviewed a number of the more traditional healthcare carriers at the time, but UPS Supply Chain Solutions was the only company who understood our needs and knew how to fulfill them," said Daniel Carbery, senior vice president of operations, Endo Pharmaceuticals. "We knew what we wanted, but there were no companies with both full service systems and adequate flexibility available. So, we worked with UPS Supply Chain Solutions and created the appropriate flexible, scalable and robust distribution systems," he said.

Housing and transporting the company's controlled substances was no small feat. The company had to comply with the regulations and record-keeping requirements of the Drug Enforcement Administration (DEA). UPS was prepared to help them meet these requirements. "We have worked with UPS Supply Chain Solutions for seven years to achieve the highly-integrated operation we now have," said Carbery. "We could not afford to internalize or recreate such an operation on our own. And the reality is, we didn't want to."

The Solution

Endo's supply chain is complex and uses UPS's domestic and international air, ocean and ground transportation systems. UPS Supply Chain Solutions also holds the necessary DEA licenses which allow for the handling and transportation of products from UPS distribution centers to the buyer.

THE CHALLENGE

A major pharmaceutical company needed a 3PL that met its business model where the pharmaceutical company outsourced key functions including the actual making of the drugs.

THE SOLUTION

UPS Supply Chain Solutions' vast pharmaceutical capabilities.

THE RESULT

A supply chain that meets Endo's unique supply chain needs.

"We interviewed a number of the more traditional healthcare carriers at the time, but UPS Supply Chain Solutions was the only company who understood our needs and knew how to fulfill them."

— Daniel Carbery,
senior vice president of operations,
Endo Pharmaceuticals

continued



Carbery pointed to the many advantages of working with UPS Supply Chain Solutions. He described Endo's freight delivery and distribution systems as the envy of many in the pharmaceutical industry. "They are cost effective and we have the flexibility to scale up or down as we introduce new products and/or enter new markets," Carbery said. He also credits UPS Supply Chain Solutions' expertise and large global presence with giving Endo scalability, control, assurance of adherence to DEA and industry standards and, perhaps most importantly, speed to market.

The Results

When it comes to scalability, Carbery said Endo has a semi-fixed system with UPS Supply Chain Solutions. "We rent our own 'sandbox' from them – dedicated space where our product orders are fulfilled, products are picked, packed and labeled and all documents are recorded."

Carbery said Endo employees talk with UPS Supply Chain Solutions employees frequently and think of UPS Supply Chain Solutions as a trusted partner. In fact, Endo involves UPS as it prepares for new product launches. He cited an example where Endo and UPS Supply Chain Solutions had to act quickly to accommodate an acquisition.

"In 30 days, we acquired a drug. On the day the deal closed, we moved products from the previous owner's warehouse to ours and started to ship under the new name," Carbery said. He said an operation that moves that swiftly is unheard of in the pharmaceutical industry. "The experience was like buying a house and bringing your moving van to the closing," he added.

Endo once viewed its relationship with UPS Supply Chain Solutions as a trade secret, but that has changed. "We think it's in our best interest to tell others what UPS Supply Chain Solutions has done for us," said Carbery. "That way UPS can build proven, repeatable models for the entire pharmaceutical industry which would benefit the entire industry."

