



Outsourcing and the Biotech Supply Chain

Introduction

As the complexities surrounding the healthcare industry increase, more companies are looking to outsource their supply chain operations. This is especially important in the biotech industry, where speed to market, scalability and regulatory knowledge is critical.

Gradually, as the logistics industry expands the capabilities and responds directly to the specific needs of the industry, benefits from outsourcing all or part of the supply chain are being realized. Outsourcing is a serious option, and a responsive supply chain can be a competitive advantage within the biotech industry.

The following key trends in the biotech industry have specific supply chain ramifications:

Increasing pace of innovation

With the mapping of the human genome, and advances in genomics and proteomics, product life cycles are shortening, and the pace of new product introduction is accelerating.

Supply Chain Ramification: Need for scalable, quickly implementable distribution conduits to speed product to market with maximum operational efficiency and economy.

Migration of production and consumption

Increasingly, biotech innovations are occurring outside of traditional pharmaceutical production geographies. At the same time, consumption of biotech materials is no longer confined to large institutions operating within major metropolitan areas.

Supply Chain Ramification: Need for global supply chain capabilities, capable of handling bulk shipments and parcel quantities with equal agility and precision.

Increasing product sophistication

The heightened effectiveness of new biotech materials coincides with more complex handling and storage requirements.

Supply Chain Ramification: Need for disciplined environmental control, time definite and expedited delivery, visibility and reporting.

Heightened oversight

Increasing regulatory oversight and customer compliance requirements are impacting all facets of biotech distribution.

Supply Chain Ramification: Need for end-to-end visibility and accountability, with complete audit trail reporting, and the ability to act upon supply chain information to enhance service.

Increased competition

The biotech arena is aggressively contested, with a myriad of alternative products, providers and channels.

Supply Chain Ramification: Sustainable success requires the extended supply chain to become a competitive advantage, driving top line sales by enabling penetration of increasingly lucrative markets, while driving down bottom-line costs.

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