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The Platform-Patient Connection: Why—and How—the Supply Chain Is Finally Changing



Key Takeaways

- Real change has been painfully slow for complex pharmaceutical supply chains.
- The digital infrastructure created for track and trace can also provide greater visibility into supply chain processes.
- Automated digital supply chain solutions are now possible using a shared collaborative platform.

By **John Bermudez** | March 9, 2020



The COVID-19 pandemic has brought worldwide attention to the challenges faced by the pharmaceutical supply chain. Pharmaceutical companies must look outside traditional “four-wall” strategies to take advantage of new solutions and digital platforms are in place for end-to-end partner integration and supply chain

orchestration.

During my many years in supply chain research, consulting, and management, I've had a front-row seat as companies—large and small, global and local—jump on the “next big thing” to improve supply chain efficiency. Although drug manufacturers invested millions of dollars to redesign their business processes around upgraded ERP solutions over the past two decades, real change has been painfully slow for the complicated, regulation-driven pharmaceutical supply chains.

During the decade that followed the frenzy to complete ERP upgrades, the pharmaceutical industry has transformed itself to a highly outsourced manufacturing model. As a result, supply chain leaders have an even more complex supply chain to contend with as they address long-standing issues such as shortages and back orders, returns and recalls, ingredient availability, and the overall lack of visibility into upstream and downstream delivery dates and quantities. With the looming challenges of patient-centric supply chains for precision medicine, supply chain executives are turning to the promise of more agile digital supply chain processes to implement essential improvements.

From chaos to collaboration: A platform approach

As the pharma industry adapts to changing business conditions—from ever-tighter margins for generics manufacturers to groundbreaking cell and gene therapies and personalized medicine—its supply chain must be able to adapt to unpredictable demand drivers, market disruptions, and emerging opportunities. Manual processes and siloed solutions are simply incapable of responding quickly enough to ensure a safe, predictable, and secure drug supply—but the pieces are in place for implementing automated digital supply chain solutions at scale and speed using a shared collaborative platform.

Don't look back: the digital supply chain is closer than you think

The good news for supply chain leaders in the pharmaceutical industry is that they

have an opportunity to catch up quickly with other industries, starting with a solution that tracks supply chain issues and provides a shared collaborative workspace to work real-time with suppliers or customers to resolve these issues before they impact shipments.

How is this possible?

In the past 5 years, the United States and Europe have implemented comprehensive serialization and track-and-trace regulations to ensure the quality and safety of medicines, and more than 60 countries have—or will have—similar programs in place by the end of 2023. The track-and-trace solutions that were developed by TraceLink were delivered in a supply chain network model that initiated digital connections across the pharmaceutical supply chain. As a result, TraceLink's Digital Supply Network provides a fantastic foundation for the digital supply chain journey.

Establishing digital connections between trading partners across the supply chain can be one of the highest hurdles on the digital supply chain journey. With the TraceLink Digital Supply Network already in place, companies can quickly establish digital connections between trading partners with a single integration. This same digital network infrastructure can be used to deploy applications that provide greater visibility into a wide range of supply chain process improvements including real-time exchange of purchase orders, forecasts, shipping notices, production status and inventory balances.

As the current COVID-19 emergency tells us, an agile supply chain will be required to respond quickly to unexpected, fast-moving situations and to facilitate the delivery of vital medicines to the patients who need them—when and where they need them. The good news is that the TraceLink Digital Supply Network provides the foundation for rapid change.

John Bermudez is the General Manager, Digital Network Platform, at TraceLink. He is responsible for leading the overall strategy, business planning, and operational execution for TraceLink's Digital Network Platform business.

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