RESOURCES



How Pharmacies Gain Cost Savings, Supply Control, and Patient Care Benefits with Strategic Direct Purchasing—Powered by a Digital Supply Chain Orchestration Foundation

For decades, pharmacies and health systems have relied on major wholesalers to streamline drug procurement. Wholesalers offer convenience, reliability, and essential services that remain a cornerstone of pharmacy operations. But with rising drug costs, increasing margin pressure, and the growing need for greater control, leading pharmacies are turning to strategic direct purchasing from manufacturers—not just to reduce costs, but also to gain stronger visibility, resilience, and access to critical therapies—without disrupting traditional supply relationships.

Historically, purchasing directly from drug manufacturers has been reserved for specific circumstances, such as accessing specialty products or responding to shortages, rather than serving as a core component of the procurement strategy. But that dynamic is shifting as pharmacy teams act strategically to capture broader value across cost, care, and supply chain performance. Purchasing directly from manufacturers offers a compelling opportunity to:

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- Capture better pricing on select products by avoiding markups.
- Gain direct access to specialty pharmaceuticals, which now account for more than 50% of overall drug spend.
- Increase control and visibility into supply while avoiding unpredictable backorders and allocation caps.
- Access manufacturer-sponsored patient support and care programs that strengthen adherence and outcomes—benefiting pharmacies in value-based care models.
- Reduce drug shortage risk and strengthen supply chain resilience through supplier diversification.
- Expand procurement flexibility without disrupting wholesaler relationships.

But making this strategy work at scale is the real challenge: Each manufacturer typically requires its own ordering portal or email-based process, creating a patchwork of manual workflows that strain procurement resources and offset the business benefits pharmacy teams are trying to capture. In addition, reconciling these purchase orders against invoices and ASNs creates even more administrative burden, diverting skilled staff from patient care. To turn direct purchasing from a one-off tactic into a sustainable strategy, pharmacy teams need a single platform to orchestrate procure-to-pay across their entire supply network.

Capabilities Pharmacies Need to Scale Direct Purchasing

To scale direct purchasing, pharmacies need a foundation of capabilities that make the model practical and sustainable. On the pharmacy side, this means a digital infrastructure that removes manual work and enables direct relationships to function at scale, including:

- Direct integration with every manufacturer—without the cost and complexity of one-off builds
- A unified ordering, invoicing, and returns tracking interface across the supply

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network
- Real-time visibility into order status, exceptions, and manufacturer performance
- Direct integration into pharmacy management systems
- Minimal IT involvement to onboard and maintain supplier relationships
- Compliance-ready data exchange to meet DSCSA and other regulatory mandates

Without these capabilities, attempts to expand direct purchasing can overwhelm staff, increase errors, and erode the very savings and supply advantages pharmacies are seeking.

On the manufacturer's side, service levels must be strong enough to meet the demanding realities of pharmacy operations, where timely deliveries directly impact the ability to provide critical medicines to patients. Wholesalers provide reliable next-day delivery with flexible ordering cutoffs, and many manufacturers are now approaching this standard.

Pharmacies report that manufacturer shipping performance is generally reliable, with only moderate limitations such as earlier next-day ordering cutoffs that can be managed with thoughtful planning. With the right preparation, these limitations do not outweigh the business benefits, enabling pharmacies to maintain high-quality patient care while strengthening supply resilience and controlling costs.

The Results Pharmacies Can Realize by Digitalizing Direct Purchasing

Pharmacies and health systems are under enormous financial strain, often operating at razor-thin margins or even in the red—underscoring the urgent need to improve financial performance. Given the scale of these operations, even a few percentage points in efficiency gains can be transformational to financial health.

With digital workflow, compliance-ready data exchange, and broad network scale,

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pharmacies can realize meaningful improvements in costs without sacrificing productivity. These includFe:

- Cost reductions of up to 5% on selected direct-purchase products, creating margin relief on high-cost, high-volume categories
- Automating ordering, invoicing, and reconciliation that saves staff time and allows pharmacy teams to focus more on patient care
- Greater procurement flexibility that strengthens supply resilience and pricing leverage while preserving trusted wholesaler relationships
- Improved visibility into spending and operations that supports well-informed, data-driven sourcing decisions

Take for example a health system spending 50 million dollars annually on high-cost medications, a five percent reduction translates into 2.5 million dollars in annual savings. Eliminating manual procurement work equal to five full-time employees could free $300,000 in labor value—capacity that can be redirected to higher-value strategic tasks. Together, these improvements create nearly three million dollars in impact each year, which can meaningfully shift financial performance in a margin-constrained environment.

These are the kinds of results that become achievable when pharmacy teams have the right digital foundation in place. Direct purchasing then moves beyond a tactical cost-saving exercise and becomes a strategic lever for financial sustainability, operational efficiency, and patient care.

Manufacturers Increasingly Expanding Direct Channels

Direct sourcing isn’t just a win for pharmacies, it benefits manufacturers as well. By selling directly to pharmacies, manufacturers can expand margins by reducing channel costs, while also gaining better visibility into demand and building stronger long-term direct customer relationships.

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This is important because manufacturers make up the other half of the metaphorical handshake. For direct purchasing to succeed, both sides must be committed and capable. Today, interest is growing rapidly on both sides of the supply chain, creating the right conditions for a scalable and sustainable model that complements the traditional wholesaler channel for appropriate products. Pharmacies considering this strategy can move forward with confidence knowing that manufacturers are not only open to it but actively investing in making it work.

MINT for Commerce: A Win-Win Platform for the Future of Pharmaceutical Commerce

MINT for Commerce is TraceLink's multienterprise integration and transaction solution that makes frictionless, scalable direct purchasing practical for pharmacies. Powered by the TraceLink Network and its B2N Integrate-Once™ architecture, pharmacies link once to TraceLink and gain digital integration with all suppliers—eliminating custom builds, manual portals, and added IT overhead.

Instead of fragmented, email-driven processes, MINT provides digital workflows that deliver:

- **Full manufacturer coverage:** Link to 100% of your manufacturers with TraceLink's reusable integration and onboard suppliers at no additional cost.
- **End-to-end transaction automation:** Place, track, and manage orders, invoices, shipment notices, and acknowledgements; eliminate email-based ordering; and ensure accurate, timely fulfillment and payment.
- **Real-time visibility and control:** Monitor order and shipment status, identify and resolve exceptions early, and gain insights into manufacturer performance with reports and dashboards.
- **Flexible integration options:** Integrate with your ERP, including pre-built integrations to Infor, Workday, and others, as well as directly into pharmacy management systems—so you can continue using the systems you rely on, with no rip-and-replace required.

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- **Out-of-the-box compliance:** Meet DSCSA requirements automatically with serialized data handling, lot-level traceability, and audit-ready records.

MINT for Commerce powers the procure-to-pay transactions that drive pharmaceutical commerce, enabling complete integration between pharmacies and all the manufacturers they purchase from. Built-in reports and dashboards provide real-time order monitoring along with the visibility and control needed to safeguard supply and ensure patient access to medicines. With more than 2,500 manufacturers already on the TraceLink network, pharmacies can quickly link to their suppliers and begin transacting, and any manufacturers not yet on the network are onboarded at no additional cost.

For pharmacies, MINT enables scalable, low-effort access to direct sourcing opportunities that were previously too complex to pursue. For manufacturers, it provides a secure, standardized way to expand direct channels, improve demand visibility, and build stronger customer relationships—without the cost and fragmentation of one-off integrations. That's a win-win for both parties.

Ready to Unlock the Full Potential of Direct Purchasing?

Whether you're just starting to explore direct sourcing or looking to scale existing relationships, MINT for Commerce gives you the infrastructure, visibility, and flexibility to do it—without the complexity. Let’s talk about how your pharmacy can:

- Eliminate manual ordering and reconciliation tasks.
- Link to 100% of your manufacturers—fast, securely, and at scale.
- Future-proof your procurement strategy with a platform built for the evolving pharmaceutical supply chain.

See how MINT for Commerce can help you take control of your sourcing strategy. **Schedule a conversation with TraceLink today**.

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Meet with TraceLink to learn more about MINT for Commerce.
Fill out the form to schedule a meeting now.

Thank you! We will contact you soon!

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