

RESOURCES

[Home](#)

It's a New Era in Supply Chain: Who Will Succeed?



Key Takeaways

- The pharma supply chain is renewing its focus on end-to-end, patient-centric orchestration.
- Supply chain teams have become integral to business strategy and growth.
- Being a successful leader in this challenging environment requires new skills.

By **Roddy Martin** | March 16, 2020



Traditional pharma and **healthcare supply chain** operating models are changing all around us—just look at supply problems surrounding the COVID-19 pandemic to understand the reasons behind the urgent need for transformation. It's time for supply chain leaders to take notice.

No longer just a cost and service center, the supply chain is increasingly at the core of the business operating model and is pivotal to growing the organization for the future. At the same time, today's supply chain leaders have become an integral part of the business leadership team.

In the past, a major focus of the supply chain was building hundreds of days of cheap, high-margin inventory, and then ensuring that products passed through multiple gateways—distributors, wholesalers, dispensers, and hospitals—in route to patients. Today, the focus has pivoted to delivering products and services on-time and in-full and strategically working with supply chain partners to orchestrate patient outcomes.

Five core drivers of the sea change in supply chain

Here are the drivers of this change and the key characteristics of the new pharma and healthcare supply chain:

1. The “healthcare ecosystem” is a partner network of both patient-facing healthcare services and all aspects of product supply, including brand and contract manufacturers and suppliers of goods and services. Healthcare and pharma must collaboratively deliver orchestrated patient outcomes together, not separately.
2. The patient is the center of the entire healthcare ecosystem. In the past, individual businesses chased revenues from the sale of high-margin, patent-protected pharma products. Some operated leaking supply chains that allowed diverted,

unsafe, and counterfeit products to reach the patient. In the evolving healthcare ecosystem, all partners must operate collaboratively to prioritize and safely serve the patient's needs.

3. The overarching goal of the healthcare ecosystem is to orchestrate patient outcomes together with all business partners on the healthcare ecosystem network. This agenda will dominate as personalized medicine agendas become high priorities.
4. Events like the global COVID-19 pandemic are opening the business's eyes to the inherent risks and gaps in traditional end to end supply chain operating models in healthcare. Misaligned agendas between network partners, poor visibility, a lack of security, and the inability to exchange information between healthcare network partners in real-time have surfaced as major weaknesses of traditional approaches.
5. Old architectures and technology models that have too become complex and inefficient to focus on the patient must be reengineered. Traditional integration of IT systems can no longer support an agile, patient-centric end-to-end healthcare supply chain.

Four characteristics of the new healthcare supply chain leader

In this new transformational leadership role, supply chain leaders must work closely with business stakeholders to redefine traditional business supply chain strategy, integrate supply chain with business processes, rethink strategic priorities, and create new digital capabilities. To be successful, today's healthcare ecosystem supply chain leaders must:

1. Redefine the healthcare ecosystem metrics to focus on orchestrated patient outcomes—not just supply chain speeds and feeds—and surfacing the implications at each healthcare network partner.
2. Work with IT and digital leadership to build enabling technology capabilities that support new, network-based operating models. This includes specifics such as deploying a digital network platform to support end-to-end agile supply chain processes; deploying augmented analytics to find and analyze new supply chain trends (not just answering transactional business questions like: How much? And how many?); improving product and inventory visibility with internet of things data; and ensuring advanced product security with serialization, track and trace, and recall capabilities that increase patient safety.

3. Create new operating models that scale down operations to support personalized medicine and cell and gene therapies. The goal is no longer to build global manufacturing sites to produce millions of tablets for millions of patients.
4. Build and operate digital twin visibility across all elements of the healthcare supply chain system to ensure continuous, real-time visibility from supply to the patient.

This is a very different set of priorities compared to traditional approaches to supply chain, IT, compliance, and manufacturing leadership community. And here's the most challenging part: These new operating models will require new skills, organizational designs, technology models, and talent.

Roddy Martin is Chief Digital Transformation Officer at TraceLink.

Return to: [The Patient-Driven Supply Network](#)

[Blog](#)

[Supply Chain Collaboration](#)

[Supply Chain](#)

Subscribe to Agile Supply Chain Insights

Stay informed with the latest patient-centric agile supply chain thought leadership content.

SUBSCRIBE

Subscribe to Agile Supply Chain Insights

Stay informed with the latest patient-centric agile supply chain thought leadership content.