

Product Launch

Fast supply chain response helps pharmaceutical giant win race to market

Speed to market is a key component to achieving success for any company launching a new product. It provides the distinctive opportunity to establish loyal customers and set the benchmark for consumer expectations. Timing is everything, and getting there first means capturing market share, revenue, profits and customer mindshare.

Nowhere is timing more crucial than in the pharmaceutical industry. When drug patents expire, generic drug manufacturers play a waiting game with approvals from the Food and Drug Administration (FDA). Once approvals come through — often on unpredictable days such as Fridays or holidays — it's a sprint to the pharmacy shelf. The supply chain network must be ready to deliver when authorization comes, without wasting resources. Flexibility is imperative.

One of the world's leading pharmaceutical companies geared up for this process while awaiting FDA approval for an off-patent asthma medicine. The company knew it needed a responsive supply chain solution to help it win the race to market.

The Challenge

Market demand was high for this less expensive, generic version of the drug. To have even a chance of capturing a majority market share, the company needed to ship product within hours of receiving federal approval. Adding another layer of complexity, pharmacies often placed orders at the last minute to obtain the best pricing. And, launch orders could range from a few to thousands of shipments — all expected to arrive on the same day.

The manufacturer tapped into DHL Supply Chain's seasoned Life Sciences business unit to meet this challenge.

"Our team has helped launch dozens of products since we began offering this service in 2004. We know the importance of collaboration, planning for all contingencies and accurate execution. The key to success is working closely with customers to identify all possible outcomes and seamlessly executing to get products onto pharmacy shelves," said Scott Cubbler, vice president of operations for DHL Supply Chain's Life Sciences business unit.

In preparation, DHL needed sufficient space to secure and store more than 1,700 pallets of product shipped in by the manufacturer. The project also required FDA-validated and - approved systems for managing the inventory and tracking orders.

The product launch would be deemed a success with nothing less than 100 percent on-time delivery next day, with all orders trackable. Only a few hours' delay could mean millions of dollars in lost sales.

Challenge

- Implement product launch process immediately upon FDA approval
- Supporting customer demand by shipping product within hours of order receipt
- Comply with all FDA requirements


Solution

- Secure product until ready to ship
- Create systems that support product launches
- Reserve labor and delivery resources in advance

Results

650 Less-than-truckload orders filled within hours

100% Orders arrived complete and on-time

 Customer market share objectives met



The Solution

Prior to launch, DHL Supply Chain established a secure area in an existing facility to shroud and store the pharmaceuticals until it was time to ship. Customized, FDA-approved warehouse management systems allowed the team to assemble shipments to pre-determined recipients in advance.

The system set a future ship date to hold product until it was approved for release.

DHL also mapped out routes and secured carriers for deliveries in advance. The team prepared the facility and systems, trained on-site labor and determined the entire launch plan that called for resources to ship orders within 12 hours notice. DHL's solution was capable of supplying the asthma medication to as many as 10,000 pharmacies, if necessary.

When the manufacturer received FDA approval for distribution on a Sunday at 12:01 a.m., the team took action. Order processing began immediately.

The Results

The results were phenomenal. Within a few hours of authorization to ship, the first deliveries were on their way — even with a last-minute request from the customer to ship pallets of product to a large number of pharmacy distribution centers instead of distributing parcels primarily to individual pharmacies. A flexible process helped the team quickly adapt and coordinate 650 less-than-truckload orders for Monday delivery. All of the outbound shipments arrived complete and on-time the next day, and additional launch orders continued for three days.

The manufacturer secured high market share, delivered on its customer commitments and deemed the effort its most successful new-product launch to date.

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- Scott Cubbler, vice president for DHL Supply Chain's Life Sciences business unit

Speed to market requires supply chain partners that are agile, accurate and ready on a moment's notice. In pharmaceuticals, the prize is market share, more revenue and more profits.

Contact us to discuss how DHL Supply Chain can make your next product launch a case study in supply chain success.



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