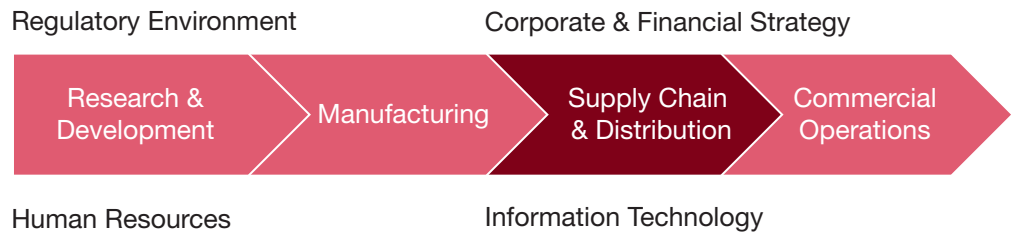


Is your organisation's Supply Chain built around flexibility, responsiveness and reliability?



Benefits

In execution of supply chain projects in the pharma industry, PwC has realised the following average savings:

- 20% reduction in inventory
- 10% reduction in transfer pricing
- 30% operating cost reduction
- 20% productivity increase
- 30% lead time reduction
- 30% order fill rate increase
- 20% reduction of supply costs

Pharma will have to rethink how to source, plan, manufacture and supply a growing diverse range of products in an increasingly challenging environment, drawing on resources that are much more geographically scattered – and just at a time when supply chain costs are coming under much greater pressure. The pharmaceutical supply chain is currently geared to the production of blockbusters for large populations. But, as these medicines come off patent, the economies of scale they generate will diminish.

As science is moving the industry from a 'one size fits all' approach to care – segmentation, personalisation and wellness – so the supply chain will need to evolve. The successful supply chain of the future is one built around flexibility, responsiveness and reliability.

How PwC can help you

We work with our clients to help them identify options at an early stage of the business and supply chain strategy process. We work with them to understand the potential risks, find solutions and identify the appropriate overseas partners to help them reduce costs or gain entry into new markets.

We work with our clients to address their supply chain issues such as:

How to realise sustainable margin improvement and cost reduction to maintain competitive advantage

How to develop high-performance supply chain processes that drive growth in the complex pharma world

How to balance risk and growth in this complex world

How to increase revenue and profitability through enhanced customer value, with a completely different delivery model as before

Solutions to reduce supply chain costs and simultaneously improve flexibility, responsiveness and reliability include:

Aligning your supply chain strategy with customer requirements

Reducing operational costs concerning sourcing, planning, production, transportation and warehousing

Considering supply chain tax consequences for each business decision

Strengthening supply chain controls and managing risks

Defining and communicating unambiguous supply chain policies

Outsourcing options

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Proven experience

Major Pharmaceutical Company – Operational Improvement

Client Issue

Recognising that structural changes threatened future profitability unless it improved its operations and lowered its cost base, the client set itself the goal of doubling revenue and profit. In order to meet this challenge, PwC was commissioned to work with it in developing and implementing an initiative called 'Productivity for Growth'.

PwC Solution

The scope of the initiative covered the entire supply chain across 7 divisions and 20 countries, representing 80% of the client's business, and involving 20,000-25,000 people and 30+ manufacturing sites.

We recognised and were sensitive to the need to address local cultural issues in a global project. During mobilisation, the teams always obtained approval for project plans from local senior management. In addition, we encouraged the client to assign quality staff to the project team who had an extensive network of contacts and an understanding of local issues.

A central change management team was based at a key client site and each implementation had a change manager assigned full time. A local change manager was also appointed to each local team. The activities covered included training development and delivery, stakeholder identification and management, communications, and organisation/job design.

Benefits

The project is now delivering the revenue and profit goals set. Financial benefits come from three primary areas of opportunity: raw material procurement, inventory reduction and elimination of non-value added transactions. The implementation of a 'Purchasing Productivity Initiative' has saved around \$600m on an annual basis, roughly 10% of the organisation's annual spend.

In addition, the project is delivering other significant benefits, including enterprise-wide visibility of processes throughout the supply chain, real-time availability of information, reduced complexity of the operating environment, easier cross-functional systems maintenance in the long-term, rapid and flexible supply chain operations and knowledge sharing.

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Global Pharmaceutical and Life Sciences Industry Group

The Global Pharmaceutical and Life Sciences Industry Group at PwC is dedicated to delivering effective solutions to the complex business challenges facing pharmaceutical and life sciences companies. A global leader in serving the pharmaceutical and life sciences industry PwC has extensive experience working with companies on industry-specific strategic, operational, and financial issues. Our expertise includes assurance, tax and advisory services, as well as specialised capabilities in regulatory compliance, risk management, performance improvement and transaction support. In helping our clients, we draw on the full knowledge and skills of PwC's professionals. More than 161,000 people in 154 countries connect their thinking, experience and solutions to build public trust and enhance value for clients and their stakeholders.