

Medications are being wasted unnecessarily – logistics shortcomings

In the pharmaceutical industry, safety is of utmost importance, and there is an absolute zero tolerance for mistakes. Securing the order, inventory, and procurement processes is a step in the right direction. With more than twenty years of experience in control, quality, and operational reliability, Extend Commerce can ensure traceability throughout the entire process – from production to final delivery.

The pharmaceutical industry, or life sciences, is a strictly controlled sector. With international standards such as GDP (Good Distribution Practice) and GMP (Good Manufacturing Practice), all medications are meticulously monitored from manufacturing, through handling, to sale.

– Just like the banking sector, aviation, and the food industry, the pharmaceutical industry has absolutely no margins for mistakes. This places extremely high demands on handling, and full traceability is required throughout the chain, says Gabriel Andersson, CEO of Extend Commerce.

According to GMP/GDP Annex 11, it is also required that the IT systems used within life sciences provide full traceability, and everything that occurs in the system must be verifiable and protected against manipulation.

Traceability and documentation requirements

Working in accordance with GMP/GDP means achieving one hundred percent traceability throughout the chain: from production, through transportation and storage, to deliveries. In the event of an issue, it is also necessary to be able to precisely identify which batch is involved, trace back, and see where the fault occurred. This will clarify whether it is a specific item, an entire batch, or the product itself that is defective.

– We continuously attract new customers within the pharmaceutical industry: a sector characterized by large investments and rapid cycles, continues Gabriel Andersson.

Lennart Holmgren is an independent consultant and expert approved by the Swedish Medical Products Agency, and is frequently employed to oversee the handling within the pharmaceutical industry.

– Overall, traceability is the single most important factor in the handling of medications. Not least because a significant issue is counterfeiting. QR codes are now used on all medication packages to ensure accurate identification.

Creating growth opportunities

With increased efficiency, safety, and a validated IT system, opportunities are also created for smaller pharmaceutical companies to grow. This is what Daniel Rahmstrid at Nordic Pill believes. The company is currently implementing a validated IT support

system in line with GDP and looks forward to a more efficient and secure handling process.

– A fundamental requirement for being able to use the system is that it is validated, and here Extend Commerce has assisted us. Safety is a basic requirement for conducting business related to medications, and following GDP is a given. I envision that this will revolutionize our operations. The transition from massive paper handling to working entirely digitally will free up resources for us, which hopefully enables us to take the next step.

Increased collaboration can lead to safer deliveries

In a recent study* conducted by IDC (International Data Corporation), over five hundred experts in global supply chain provide their insights into the challenges that now follow in the wake of the pandemic. The life sciences sector is significantly affected – on multiple levels – and at the top of the list of challenges are both planning and monitoring of material flows, as well as the risks of counterfeiting and theft. According to Roddy Martin, TraceLink Chief Digital Strategist, medication shortages among transporters could be avoided – if the industry finds a common understanding, shareable data, and common, integrated processes.

– The lack of integrated holistic systems, collaboration, and transparency affects the entire chain. The result is that companies miss out on information, as well as the ability to coordinate, plan, and collaborate on logistics with each other. This creates difficulties both ways in the supply chain. Ultimately, this also impacts patients and users.

The supply chain is described as fragmented and divided into several separate systems. Many players have their own systems and their own agendas; their own metrics, sources, and goals.

– There is simply no common platform for planning logistics, or a common business network where collaborations can occur on an overarching level – from supplier to end user, says Roddy Martin. Ultimately, it's the patient who gets caught in the middle, either because medications get stuck along the way, are misplaced, or are not delivered at all. This could be avoided with a common planning system where stakeholders – from supplier to user – can collaborate.

Ensure quality and protect investment

The pharmaceutical industry stands out in many ways. The control is extremely high, and every decision regarding the flow is carefully weighed. The regulations are strict and will be tightened even further in the future, with serial numbers and unique identities down to each preparation.

– The path to an approved and marketable medication is long, but when the preparations are finally to be sold, everything needs to be rolled out simultaneously; often going from twenty orders to two thousand overnight. And that we can meet, concludes Gabriel Andersson.

*Read the full study here: [“Supply Chain Agility in the Pharmaceutical Industry”](#).

About Extend Commerce

Extend Commerce streamlines & manages through a cloud-based business system central processes for finances, inventory, and order information for multiple partners, channels & markets. Our solutions provide control and real-time information as well as built-in logic and intelligence for the business process.