

A woman with short grey hair, wearing a white lab coat over a pink shirt, is looking through a black microscope in a laboratory. The background is a blurred lab environment with a white bench and a window. A large light blue diagonal shape is overlaid on the left side of the image.

**kinaxis**<sup>®</sup>

INDUSTRY SPOTLIGHT

# 5 challenges **impacting the health** of your life sciences supply chain



## How to increase cash flow and navigate regulations with supply chain orchestration

Every second counts in the dynamic, critical world of life sciences. Navigating the intricate web of supply chain challenges is crucial for success. Speed is synonymous with survival, which means operating at the intersection of urgency and complexity.

Yet, those two things—urgency and complexity—never slow down. To address the critical question of ensuring timely delivery of the right products to patients, it calls for an updated supply chain orchestration solution. The success of your supply chain hinges on safety, adaptability and efficiency in a world where stringent regulations, jurisdictional control, product expiry, tender management, clinical trials planning, and new product introductions are everyday concerns. You need to identify problems faster than ever so the best decisions to address an issue can be made and communicated to stakeholders without delay.

It's about keeping the pipeline of innovative products fresh and reliably getting into the hands of providers and patients while remaining financially viable. With an intelligent supply chain management solution that delivers end-to-end coordination and orchestration, it's possible to be more efficient and responsive to challenges. That means a more predictable flow of cash on hand to invest in R&D and production capabilities rather than potentially wasting money on inventory that might turn into expired product.

Here are the five biggest reasons why you need a solution designed to address the most pressing concerns in the industry right now, so your organization has the agility and precision you need to survive and thrive.

# 1

## Lack of global visibility and transparency

Accuracy and precision can't be sacrificed when patients depend on your specific drugs, treatments and solutions. For the best outlooks and to meet stringent regulatory standards, it means addressing supply issues and delivery disruptions as soon as possible. The problem is you can't fix what you can't see.

Siloes are obstacles standing in the way of progress and lead to decision latency. According to a 2023 LogiPharma survey\*, 19% of pharmaceutical supply chain leaders cited limited visibility into the end-to-end supply chain due to data silos as one of the biggest challenges impacting their supply chain today. With raw material shortages impacting the medical technology space and a dense network of CMOs supporting the pharmaceutical industry, limited transparency across the network can open organizations up to immense risk. The problems are compounded with technology that relies on manual inputs, hindering timely transparency and the ability to collaborate along the global supply chain network.



**Before I bid for a tender or a new customer, I need to check whether I'll be able to service it. That becomes very easy when you use scenario modeling.**

**DR. RAVI MATHUR**

Vice President Supply Chain Management, Dr. Reddy's

# 2

## Pressure on margins and cash flow

The research and development of new treatments and solutions is the breath in the lungs of the life sciences industry. Innovative organizations need a deep pipeline of new products to maintain market share and drive growth. But with significant lead-times to move through the approval process, it can take years to recoup those investments. At the same time, as patent cliffs loom, there's a constant loop of pressure to innovate. With inflation and other economic factors increasing the cost of labor and materials—coupled with the costs of inefficient expiry and inventory logistics and management—life sciences companies are being asked to do more with less, and quickly.

Efforts to increase efficiency or find new avenues to improve cash flow depend on transparency into all phases of the supply chain. Supply chain professionals need to have a handle on operational and financial metrics with technology that connects all the dots.



One of the great benefits we've had from RapidResponse is that we're now able to manage shelf-life planning to a level of detail that's enabled us to reduce our write-offs due to expiry.

**DOUG KELLY**

(Former) Director, Supply Chain Management at Merck

## 3 Navigating government regulations

Moving a product through the regulatory process can be long and arduous to ensure compliance and patient safety. A push for more Real World Evidence in a new production introduction process can slow things down even further. Jurisdictional control requirements impact production lines and capacities further increase long lead-times, and flavor management brings additional complexity to managing available supply. Of course, this all carries the risk of penalties for non-performance.

There's simply no room for error here, so it means staying abreast of changes in real time and ensuring all members of the supply base are working from harmonized data so there's a single source of truth.

## 4 Pressure on delivery, performance and wasted and expired inventory

From the time a product is in development to its delivery, there are multiple places where a delay could occur—especially when manufacturing and quality lead times can vary from weeks to months, and approvals have their own timelines.

Once products have received approvals, life sciences companies need to get new products to market, fast. There is pressure on rapid ROI for new product launches. Organizations need to maintain service levels and never miss a commit, while maintaining a balanced inventory to decrease expired product.





# 5

## Tender analysis and management

Bidding on a tender shouldn't be a guessing game of whether you can or cannot actually fulfill it. You should also be clear about whether fulfilling an order in one business unit could have adverse effects on another. But this is often the case for organizations with a siloed view of orders, inventory, supply and capacity. And should you miss a commit or deliver with significant delay, you can face major penalties.

To be competitive in this fast-moving global market, you need a solution with capabilities designed to help your organization handle tender management, profit evaluation, risk evaluation and recovery with more efficiency than ever.



**We are bringing our financial data into RapidResponse and are collaborating with our finance team to bring the workbooks and tools they'll need for long-term financial planning activities.**

**ISABELLE GALLOUIN**

Director Supply Operations Systems and Analytics, Pfizer, formerly Seagen



## Boost supply chain resilience with Kinaxis

An efficient, responsive approach to end-to-end supply chain management, tailored to thrive in today's volatile life sciences markets.

It's a fact: traditional spreadsheets and cascaded systems just aren't sophisticated enough to track complex pharmaceutical and medical device supply chains—making it difficult to keep up with material shortages, logistics challenges, and market volatility.

Our unique [concurrency technique](#) and approach to [optimizing logistics](#) revolutionizes the game, so you're empowered to instantly and continuously balance your supply chain.

With better visibility and collaboration across business units, your company responds to volatility without wasting time or resources. That's where Kinaxis shines.

**6** of the top 10 pharma are Kinaxis customers

[SOURCE](#)

**4** of the top 10 med device companies are Kinaxis customers

[SOURCE](#)

**6** of the top 10 Fortune 500 companies in pharmaceuticals are Kinaxis customers

[SOURCE](#)

## How Kinaxis builds a healthier life sciences supply chain

Through secure cloud-based integration, connect all internal and external data sources seamlessly. Kinaxis offers flexibility—easily integrate with existing ERP systems or develop custom apps and algorithms with or without code. Tailor your supply chain configuration to your unique needs so you can reduce waste and set the stage for new breakthroughs. Don't allow disruptions to stunt progress—inject your supply chain with the power of an intuitive and adaptable planning solution.



### **Minimize risk with end-to-end transparency**

True enterprise-wide planning and supply chain orchestration provide transparency across the network and foster great collaboration to help you make decisions quickly and with confidence. Scenario-based planning allows you to account for tenders, trade promotions, and new product introductions to keep your business moving forward. Automated and optimized order planning and execution help you stay agile and compliant and get ahead of disruption.



### **Maximize resources to improve service**

Work smarter by modeling shared materials capacities and planning parameters directly within the solution to determine co-and-by-products to utilize all resources and meet all customer commits. Schedule and collaborate across plants to ensure maximum efficiency, while controlling constraints. Seamlessly add new distribution channels, sales channels, and logistics partners and dynamically partner according to each order's requirements and service levels.



### **Eliminate waste**

Expiry planning enables you to respect region/customer specific sell-by dates while balancing long supply lead times and shifting demand to ensure usable product is available to patients when they need it. As those orders come in, make the best, most cost-effective use of your network inventory with demand-driven, dynamic order allocation for just-in-time deliveries.



### **Navigate regulations**

Attribute-based planning allows you to incorporate constraints due to process and equipment changes that need to be filed globally with agencies who have widely varying approval timelines. Inventory pooling via batch-based supply allocation and pooling by geography allow you to account for local regulation and serve patients across regions. During execution, visibility and documentation over every touch point and transaction further enable compliance.





## Look to the future with clarity and confidence

From data synchronization, smart collaboration and AI-enabled “always learning” algorithms, you can do more with your supply chain management processes than ever before. Craft and test elaborate “what-if” scenarios and make decisions in real-time with partners so every challenge is met and not a single opportunity is missed.

Accurate, cross-network data improves forecasts, so you can better monitor trends and maximize gains. The end result is an organization that seizes on opportunities slow-moving, siloed companies can't even see.

[Find out](#) why companies like Dr. Reddy's, Ipsen and Merck depend on Kinaxis for our concurrency technique in their competitive supply chains.

Learn more about how Kinaxis can be implemented quickly to improve the health of your supply chain with a [personalized demo](#).