

The single market

Companies involved in the pharmaceutical finished goods supply chain must constantly monitor and plan to meet the changing demands of the market as it becomes increasingly pan-European.

Although most of Europe is now united as a single market, different regions offer different challenges to the pre-wholesaler. Switzerland, Ireland, Italy and the UK are the most advanced countries; full-service outsourcing is common, and there is complete separation between wholesale and pre-wholesale functions. The Iberian Peninsula is developing as a pre-wholesale region, but in Portugal, local pharmaceutical legislation is hindering development. The French market is large and complicated, with a fragmented pharmaceutical supply chain and a difficult business environment. The German pharmaceutical market is in a state of flux. Benelux functions as a single geographical area, but different cultures, languages and public holidays can complicate operations. The Netherlands already has several European distribution centres because of its good logistics infrastructure.

Changes in market thinking

The demands of the market (including new countries joining the EU) are accompanied by changes in regulations and thinking:

- Regulatory focus used to be on good manufacturing practice (GMP); now it is moving to high-risk good distribution practice.
- Large pharmaceutical companies (pharmas) are looking at using regional or central stores to cover bulk deliveries to wholesalers, and there is a clear move towards managing the supply chain at a pan-European level.
- All parts of the supply chain must link together – manufacturers, distributors, pre-wholesalers, wholesalers, pharmacies and hospitals.
- An efficient, integrated supply chain needs easy transfer of information; there are projects looking at the need for industry-wide coding standards.
- The effective flow of information is reducing the need for safety stocks.
- Pharmas are looking at using supply channels to get close to patients for specialist products.
- Products gain value from the additional services provided with them (such as home delivery, nurse visits and diagnostic equipment).

The increased centralisation and regionalisation of supplies raise particular issues for pre-wholesalers:

- It is vital to maintain customer service levels and offer emergency deliveries.
- When planning distribution, there is a need for thorough knowledge of

Pre-wholesaling activities

- Receiving and storage of goods
- Pick, pack and dispatch of goods
- Inventory management and special storage (such as cold room 2–8°C, -35°C, -70°C, narcotics and clinical trials supplies)
- Transport
- Returns, recalls and destructions
- GMP labelling and packaging
- Customer service
- Information and reporting
- Promotional material, such as medical samples
- Full or part order to cash cycle, including credit and debit management
- Regulatory support
- Bonded stores
- Home deliveries
- Supply of local language medical information and customer services

transit times, customs requirements, regulatory controls, local performance standards and the efficient handling of import and export licences.

- Multi-language or just-in-time packaging is vital to gain significant synergies.

Segregation and cross-contamination issues make the pharmaceutical supply chain distinct. Ever stricter regulations mean that every company involved in the European finished goods supply chains must constantly monitor and plan to meet the changing demands of the market. ■

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