

## Pharmaceuticals are discarded in vain – due to shortcomings in logistics

In the pharmaceutical industry, safety is crucial, and there is an absolute zero tolerance for mistakes. Though, securing the ordering, warehousing, and purchasing process is a step in the right direction. With more than twenty years of experience in control, quality and reliability, Extend Commerce can ensure traceability throughout the entire process – from production to final delivery.

The pharmaceutical industry, or *Life Science*, is a strictly controlled sector. With international standards such as GDP (Good Distribution Practice) and GMP (Good Manufacturing Practice), all medicines are carefully controlled from manufacturing, via handling to sale.

“Like the banking sector, aviation, and the food industry, the pharmaceutical industry has absolutely no margins around mistakes. This places extremely high demands on handling and full traceability are 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 in Life Science must provide full traceability, and everything that happens in the system must be able to be verified and be secured against tampering.

### **Traceability and documentation**

Working in accordance with GMP / GDP is at the macro level about one hundred percent traceability throughout the chain: from production, via transport and warehousing, through deliveries. In case of problems, it is also required that you can follow exactly which party it is about, track backward and see where the error has occurred. Then it also becomes clear

if it is a specific product, an entire batch, or the product itself that is incorrect.

“We are constantly attracting new customers in the pharmaceutical industry: an industry characterized by large investments and fast cycles,” says Gabriel Andersson.

Lennart Holmgren is an independent consultant and expert, approved by the Medical Products Agency, and frequently hired to control the management of the pharmaceutical industry.

“Overall, traceability is the single most important factor in the handling of medicines. Not least because a major problem is counterfeiting. QR codes are now used for all drug packaging to be able to identify everything accurately.”

### **Create growth opportunities**

With increased efficiency, security and a validated IT system, opportunities are also created for smaller pharmaceutical companies to grow. That is the opinion of Daniel Rahmstrid at Nordic Pill. The company is currently implementing validated IT support in line with GDP and they look forward to more efficient and secure management.

“A basic prerequisite for even being able to use the system is that it is validated, and here Extend Commerce has helped us. Safety is a basic requirement for conducting business related to pharmaceuticals and complying with GDP is a matter of course. I see in front of me that it will revolutionize our business. That we can go from massive paper handling to working completely digitally. It will free up resources for us, which means we can hopefully take the next step.”

### **Increased collaboration can result in safer deliveries**

In a study\*, recently conducted by IDC (International Data Corporation), more than five hundred experts within the global supply chain give their view of the challenges that now follow in the footsteps of the pandemic. The Life Science sector is affected in large part – and on several levels – and at the top of the list of challenges are both planning and follow-up of material flows as well as the risk of forgeries and thefts.

According to Roddy Martin, TraceLink Chief Digital Strategist, shortages of pharmaceuticals among carriers could be avoided – if the industry finds a consensus, shareable data, and common, integrated processes.

“The lack of integrated holistic systems, cooperation, and transparency affects the entire chain. The result is that companies lose information, as does the opportunity to coordinate, plan and collaborate with logistics among themselves. This causes difficulties in both directions in the supply chain. Ultimately, this also affects patients and users.”

The supply chain is described as fragmented and divided into several separate systems. Many actors have their systems and their agenda; their measurement values, sources, and objectives.

“There is simply no common platform for logistics planning, nor is there a common business network where collaborations can take place on an overall level – from supplier to end-user, says Roddy Martin. In the end, it is the patient who gets in trouble, either because drugs get stuck on the road, end up wrong, or are not delivered at all. This could be avoided with a common planning system where actors – from supplier to user – can collaborate.”

### **Ensure quality and protect the investment**

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

“The road to an approved and salable medicine is long, but once the preparations are to be sold, everything needs to be rolled out at the same time, often you go from twenty orders to two thousand overnight. And we can meet that,” Gabriel Andersson concludes.