



Pan-European distribution for bio-pharmaceutical start-ups:

12 pitfalls to overcome

This White Paper provides an overview on the extremely complex process to set-up a compliant, effective and lean distribution chain within the life sciences sector to serve European Customers.

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When designing their Pan-European distribution and supply chain structure, bio-pharmaceutical companies need to overcome many constraints and challenges.

Our experience shows that in many value chain projects the same pitfalls derail a successful implementation. As Supply Chain Operations has accompanied many bio-pharmaceutical clients in setting up their pan-European distribution, we have developed a unique methodology to overcome the 12 most common pitfalls

No	Pitfalls	Route to success
1	No strategic alignment between Supply Chain and other functions	<ul style="list-style-type: none"> Align with Sales & Marketing while building your Customer centric channels to markets Align with Regulatory (licenses to distribute) when drawing your future supply chain network Align with Finance (Tax/VAT) when drafting your business flows.
2	Underestimate time to implement	<ul style="list-style-type: none"> As soon as launch timing is defined, perform a retro-planning to define starting date of the program Different European countries may have different regulatory or legal requirements, generating additional time-consuming activities One project charter, one set of timelines and central steering with regular reviews.
3	Failing to synchronize Demand & Supply	<ul style="list-style-type: none"> Demand forecasting is always at the starting point of your operations and it drives all the upstream & downstream supply chain activities Supply parameters are critical, and they need to be set by product/SKUs to allow max flexibility Safety stocks and lead-times are always pivotal parameters to thoroughly review.
4	Adopting “one-channel-fits-all”	<ul style="list-style-type: none"> Customer segmentation and related services to be laid down together with Sales & Marketing Ordering process (Order-to-Cash) needs up-front check and control Select your logistics solution partner based on your channel to market strategies.

5	Silo operating	<ul style="list-style-type: none"> ▪ Create a comprehensive and cross-functional implementation roadmap, validate it with other functions ▪ Launch program requires coordination with all non-supply driven functions (Market Access, Pricing, Legal, Medical Affairs, etc...) ▪ Bring Quality early on-board of your project (GMP, GDP, audits, QP, releases, etc...).
6	Ignore data	<ul style="list-style-type: none"> ▪ Plan in advance your stock build-up based on Demand forecast scenarios (Low-Base-High) ▪ Create visibility, transparency and flexibility across your value chain ▪ Select few simple/critical KPIs to measure and drive your operations.
7	Too many vendors	<ul style="list-style-type: none"> ▪ Optimize the number of solution providers (Packaging, warehousing, transport, logistics, distribution, serialization, etc.) ▪ Evaluate in-source versus out-source whenever possible ▪ Run thorough RFI-RFP-RFQ selection process to guarantee high quality at reasonable costs.
8	Numerous storage locations	<ul style="list-style-type: none"> ▪ Service level to key customers is the driver ▪ Size it right from the start and allow for step growth ▪ Each additional storage location means more inventory along your chain.
9	Lack of training	<ul style="list-style-type: none"> ▪ Plan for end-to-end distribution chain trainings ▪ Plan for mock-up runs before go-live ▪ Run cross-functional tests at critical steps of the distribution chain to secure sustainability.
10	No de-risking approach	<ul style="list-style-type: none"> ▪ Launch in-depth risk management program with monthly re-assessment process ▪ Prepare mitigation action plans and validate them with senior management ▪ Remember the devil is always in the details when you design your supply chain.

11	Underestimating the burden of transformation	<ul style="list-style-type: none">▪ Deal with the change complexity and plan for enough skilled resources during the project▪ Perform RACI matrix analysis to allocate responsibilities and tasks▪ Create a comprehensive, transparent and cross-functional implementation and transformation roadmap.
12	Technology still matters	<ul style="list-style-type: none">▪ Bring IT on-board of your project and make sure that they deliver their promises▪ Automate as much as feasible whenever possible (avoid manual operations)▪ Measure key project activities and commercial operations to immediately identify deviations.

De-risk your Pan-European supply chain design by leveraging our proven methodology as well as our expert support.

The project success is directly conditioned and linked to the quality and experience of the resources you bring onboard. We know that each project is unique with its own constraints and challenges. Having a backbone of genuine expertise in bio-pharma distribution is a strong plus to minimize risk impact and likelihood.

Be successful in your project contact us today.



Supply Chain Operations SA, based in Switzerland, is a specialized healthcare supply chain boutique consultancy firm created in 2011 to serve the bio-pharmaceutical and medtech industry. We bring more than 120 years of end-to-end supply chain expertise to our valued customers.

Laurent Foetisch of Supply Chain Operations SA has extensive experience as a supply chain executive responsible for managing a global bio-pharmaceutical company in Switzerland for more than 30 years. Since 2011 Laurent has developed Supply Chain Operations SA with the objective to bring life sciences supply chain experience and knowledge to its customers.

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