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EXPERTISE

Consolidating the distribution approach for global clinical trials

Applying expertise to realize cost efficiencies

Our client, a global top-ten pharmaceutical manufacturer, had historically engaged Thermo Fisher Scientific for a portion of its global clinical trials. Based on interactions with this client, our project managers identified an opportunity for the client to improve its distribution strategy.

Thermo Fisher Scientific conducted a high-level analysis of the Sponsor's current distribution and logistics model and, based on their findings, recommended they conduct a more detailed analysis. Our project managers were confident they could generate significant cost efficiencies under a new model that would still maintain their performance standard of ontime, in-full and at-temperature deliveries.

Analysis of distribution model

A dedicated team was set up to formally review the Sponsor's distribution policy. At the time the Sponsor was using a premium courier two-day shipping service for both dry-ice and ambient shipments. While this ensured a high level of service across all weather periods and for all shipment types, the Sponsor was beginning to question the approach. In other words, did they need a premium courier for all shipments, and was two-day service always required?

To help the Sponsor understand whether there were opportunities for savings, the team completed a granular analysis of all shipments by zip/postcode. In addition, a manual shipment review was initiated by our logistics team, to verify the routing and to assess courier reliability.

Recommendation

Based on their existing portfolio of shipments and geographic distribution patterns, the team recommended the Sponsor use our Total Transportation Management Service, enabling them to partner with the most suitable logistics provider for each route based on courier performance data captured across all of our shipments. This objective courier performance data included door-to-door delivery timelines, quality and overall performance, highlighting anomalies and identifying trends. The team outlined a new global strategy that incorporated all clinical sites within the scope of this Sponsor's studies.

Flexibility

By using our global network of GMP facilities, the Sponsor gained on-line visibility to all inventory in motion and at rest. The new distribution model was designed to be flexible, allowing real-time response to change requirements. During implementation, the flexibility of the model was validated as dry-ice shipments increased while delivery windows shortened. Thermo Fisher Scientific was able to:

- respond to this new requirement
- continue to maximize on-time, in-full delivery requirements
- reduce overall costs
- mitigate risk

Performance measurement

The Sponsor was particularly impressed with our Global Logistics Help Desk. Customized performance monitoring metrics were established and full reports issued to the Sponsor on a monthly basis. The Help Desk's state-of-the-art technology platform and proactive track, trace and intervention service provided enhanced end-to-end visibility across the clinical trial supply chain.

Furthermore, by using our logistics network, the Sponsor was able to benefit from preferential standard and premium freight rates, preferential global facility and depot rates and fixed fuel surcharges.

Cost savings

Since implementation, an independent audit by the Sponsor reported significant cost savings of over 55% within the first year. More importantly, the meaningful KPI reporting and analysis process has firmly established a culture of collaboration and proactive, continuous improvement across all clinical trials to ensure optimal cost and process efficiency.

The Sponsor can now focus on other high value activities assured that the team is implementing an efficient global logistics strategy across its clinical trials. The team continues to apply this proven expertise to meet the global transportation needs of other leading pharmaceutical companies.