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Case Study: Integration with CMOs (Contract Manufacturing Organizations) via TraceLink



Background

The Company is a global leader in pharmaceuticals, offering innovative therapies for treating oncology, neurology & immunology, fertility, and endocrinology. With a long-standing commitment to research and development, the company aims to provide advanced healthcare solutions that improve the lives of people around the world.

Objectives

The company initiated a digital integration project with Contract Manufacturing Organizations (CMOs) through the TraceLink platform to improve external manufacturing efficiency, enhance transparency, and streamline the supply chain. The objectives were to:

- Enhance responsiveness and reliability in supply chain operations.
- Improve cost flexibility and efficiency by reducing manual operations.
- Replace traditional inventory approaches with improved information systems.
- Accelerate decision-making processes through better data exchange.

Benefits and Goals

The collaboration aimed to achieve several key benefits:

- **Increased Responsiveness and Reliability:** By exchanging shipment forecasts and supply schedules, the company and its CMOs could build trust, enabling more reliable planning and strengthening the execution flow.
- **Cost Flexibility:** Reducing manual order entries minimized the risk of errors and improved process efficiency, shifting the operational focus toward continuous improvement.
- **Enhanced Transparency:** Frequent information exchanges helped review assumptions more regularly, allowing plans to be built, communicated, and agreed upon more swiftly.
- **Asset Management:** Shifting from inventory reliance to enhanced information systems reduced the need for safety stock, decreasing overall inventory costs.

Challenges

Initially, the integration faced several challenges:

- Effective communication with CMOs to highlight the value of the benefits of digital integration, as many were hesitant to depart from traditional methods.
- Technical and cultural alignment between the company and its CMOs, ensuring that both parties could effectively collaborate through the new system.
- Managing the transition from manual to automated processes without disrupting ongoing operations.

Supply Chain Improvement Metrics

Through the TraceLink integration, the company improved several Supply Chain

metrics:

- **Reliability:** Improved data sharing led to more reliable forecasting and reduced surprises in delivery timelines.
- **Responsiveness:** Enhanced data flow accelerated the decision-making cycle, improving the Company's ability to respond to market changes.
- **Flexibility:** More frequent updates and reviews of supply chain plans increased the system's adaptability to changes.
- **Costs:** Automation reduced labor-intensive tasks, lowering operational costs and allowing the redeployment of resources to higher-value activities.

Feedback and Impact

After six months of implementation, the feedback from CMOs was overwhelmingly positive. Despite initial resistance, the value of streamlined processes and enhanced communication became evident. CMOs appreciated the reduced operational workload and improved communication efficiency, which also emphasized the importance of master data consistency.

Long-Term Impact and Summary

The company's digital integration with CMOs marked a significant shift in how the company managed its external manufacturing. The process automation facilitated a shift from transactional efforts to regular monitoring, preparation, and operation. This transition saved time and resources, allowing the company and its CMOs to focus more on exception handling and strategic activities rather than routine tasks.

This case study illustrates how the company, as a leading pharmaceutical company, leveraged digital technology to enhance efficiency, transparency, and collaboration in its supply chain, setting a benchmark in the industry for digital integration with CMOs.

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