

The Pharma MAH-3PL Relationship

Orchestration Benefits and
Win-Win for Each Partner



The Complex World of Outsourced Warehouse Logistics

Outsourcing of warehouse and logistics processes (inventory management, warehousing, and fulfillment) to a third-party logistics provider (3PL)



CMOs, CPOs, and manufacturers make the products and then ship them to 3PL warehouse.

Manufacturer informs 3PL about product delivery.
3PL receives products and logs it into inventory.
3PL informs Manufacturer of inventory levels & status changes.



Wholesale distributors, hospitals and dispensers place orders to manufacturer.

Manufacturer informs 3PL about orders to be fulfilled.

3PL informs manufacturer about product delivery to customer.

3PL picks and packs orders, and delivers orders to customer



Challenges

What information do Manufacturers need from their 3PLs to boost perfect order performance?

Need to Know

Is there enough inventory to fulfill customer orders?

How much inventory needs to be replenished at 3PL warehouses?

Has the 3PL received product from the CMO or a transfer from another warehouse location?

Is the 3PL receiving prompt notice of customer orders to be filled?

Implications

Insufficient inventory visibility
Inbound stock unknown

Inaccurate supply plans to maintain right inventory levels

Poor available-to-promise
Unnecessary administrative efforts

Inefficient order fulfillment
Missed or unfilled customer orders

KPIs

Low perfect orders
Lost revenue

Too much or too little inventory
High costs

Poor SLAs
Overhead costs

3PL costs
Low customer Satisfaction

3PL Orchestration Challenges: What We Hear from Customers

Large Branded Pharmaceutical Manufacturer

The Problem

- Ships to more than 4,000 locations through more than 30 3PLs.
- Requires central orchestration of the delivery of these orders across four continents.
- No real-time visibility into customer order fulfillment status.

The Goal

- Integration with ERP to coordinate customer order fulfillment 3PLs.
- Real-time visibility to inventory across all 3PL warehouses.
- Visibility to product inbound to 3PLs to improve ATP.

The Solution

- MINT for Logistics
- Begin with interoperable exchange of warehouse shipping orders, warehouse shipping advice, ASN, warehouse stock transfer shipping advice, and receiving advice.
- \$1,200 per 3PL to start!

3PL Orchestration Challenges - What We Have Heard from Customers

Global BioPharmaceutical Manufacturer

The Problem

- Sells products in 170 countries through 79 affiliates.
- 34,000 unique customer ship-to locations.
- Inbound goods receipts information currently being shared with 3PLs and affiliates through flat file transfers.
- Requests to ship orders at 3PLs and affiliates also sent in flat file.

The Goal

- Enable all customers and affiliates to send digital purchase orders to eliminate flat file transfers.
- Replace all flat file transfers with API-based integration.
- Visibility to product inbound to 3PLs to improve ATP.

The Solution

- MINT for Logistics
- Enable PO exchange from customers
- Begin with warehouse shipping orders and shipping advice, ASN, warehouse stock transfer shipping advice, and receiving advice.
- \$1,200 per 3PL to start!

3PL Orchestration Challenges - What We Have Heard from Customers

Global, Multi-Billion Dollar 3PL organization

The Problem

- Serves hundreds of customers
- Each customer wants to integrate with this 3PL according to their own specification
- Point-to-point integration with each customer is costly, time consuming and difficult
- Maintenance of connections is an absolute nightmare

The Goal

- Use TraceLink B2N method to exchange shipping orders, shipping advice, ASNs, inventory positions etc. with all customers (no more P2P!)
- Let TraceLink take care of the maintenance
- Provide real-time visibility at a faster pace to improve customer service & loyalty

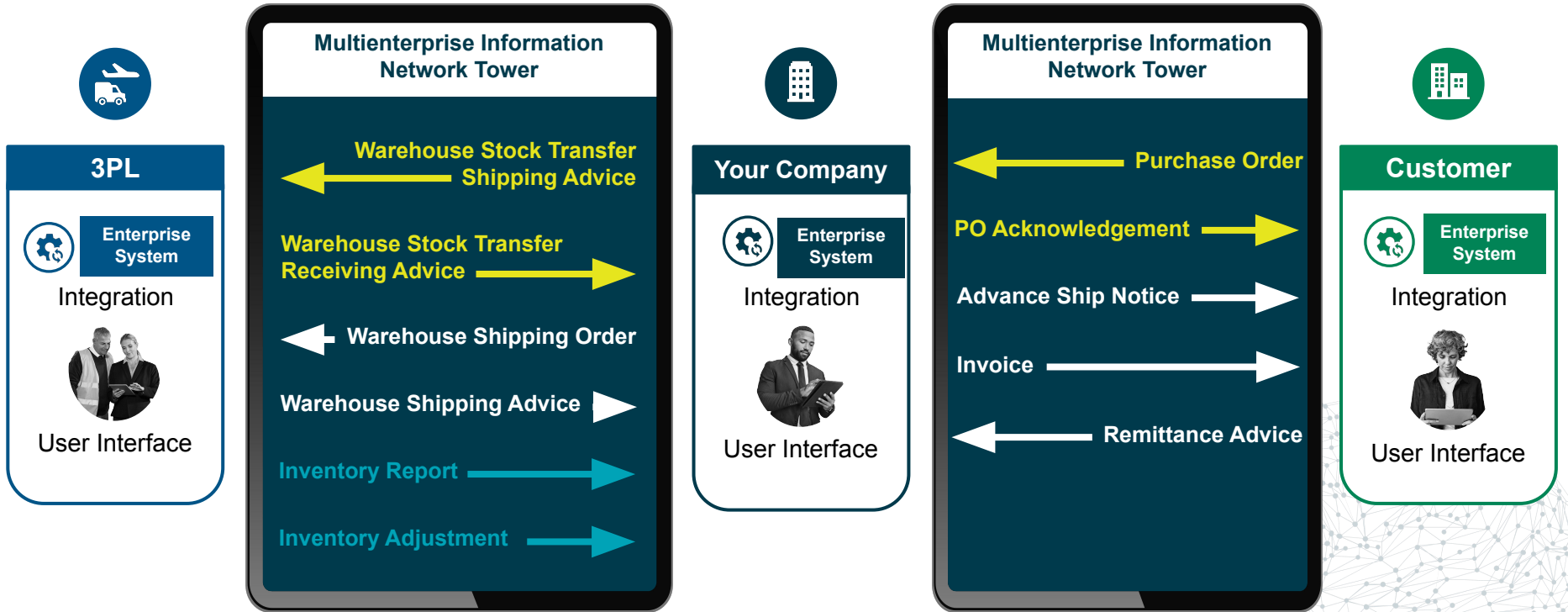
The Solution

- MINT for Logistics
- Start with one customer
- Begin with warehouse shipping orders and shipping advice, ASN, warehouse stock transfer shipping advice and receiving advice
- \$1,200 per customer!

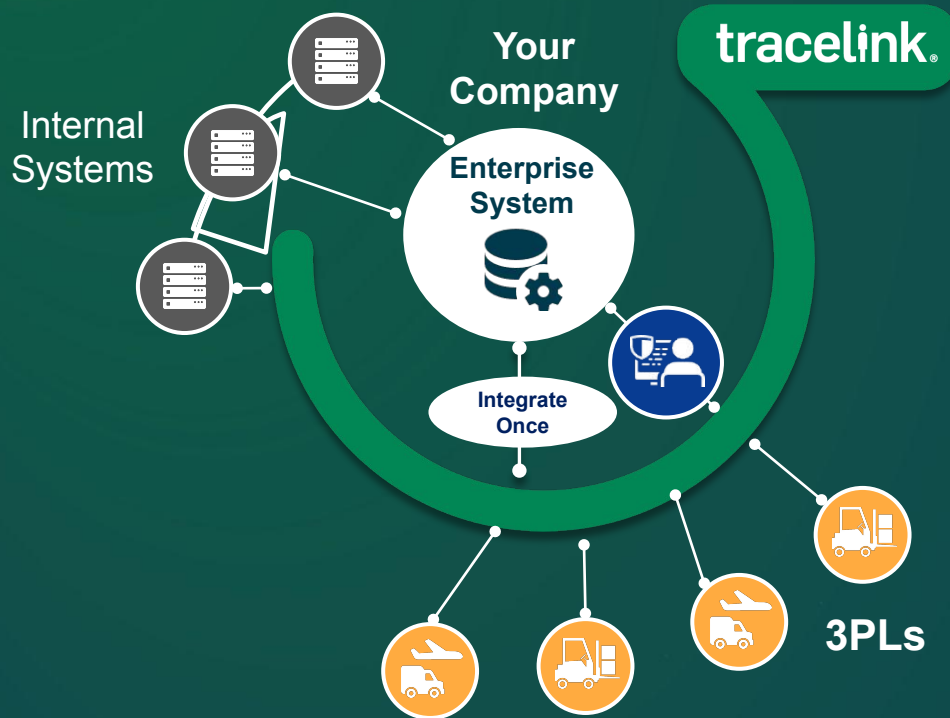


Capabilities

MINT Transaction Flow for Logistics Orchestration



MINT for Logistics Orchestration



Integrate-Once™ for:

- Inventory Balance Report
- Inventory Adjustment
- Warehouse Stock Transfer Shipping Advice
- Warehouse Stock Transfer Receiving Advice
- Warehouse Shipping Order
- Warehouse Shipping Advice
- Advance Ship Notice
- Purchase Order
- Purchase Order Acknowledgement
- Invoice
- Remittance Advice

Real-time business transaction exchange to:

- Align on on-hand inventory at 3PL warehouses
- Monitor stock transfers from CMOs to 3PLs
- Monitor stock transfers between 3PL locations
- Provide accurate customer order data to 3PLs
- Track customer orders fulfilled by 3PLs



Value

The Benefits of Logistics Orchestration on Opus

Use Case

Benefits of Orchestration



Real-Time Inventory Management

- Warehouse Stock Transfer and Receipt Advice
- Warehouse Shipping Orders and Advice

- Improve planning and replenishment with inventory levels aligned between 3PL warehouse and MAH enterprise systems.
- Ensure product availability and readiness for shipment.



Order-to-Cash Process Optimization

- PO / PO Acknowledgment
- Advance Ship Notice
- Invoice
- Remittance Advice

- Streamlines order fulfillment processes to improve order fill rates.
- Full visibility to finished product transferred from CMOs to 3PLs.
- Provide real time shipments data, enabling dock scheduling, labor planning, and more efficient receiving processes.



Receiving Optimization for Customers

- Inventory Balance Report
- Inventory Adjustment

- Provides customer with confirmed product quantities, tracking numbers, and delivery dates.
- Reduces customer service effort while improving customer satisfaction.

Why 3PLs Will Want to Participate with MINT



Real-time exchange of inventory balances, transfers, and shipping orders creates a more efficient order fulfillment process at no additional expense to 3PL.



More complete integration improves responsiveness to last minute changes and ensures better on-time, in-full deliveries at higher operational efficiencies.



Connecting through MINT greatly reduces integration costs that involve fixed and variable costs that 3PLs must carry to support digitalization expectations.



Single link to the TraceLink network reduces IT costs related to maintaining outdated modes of information exchange, including EDI and point-to-point integrations.



3PLs can use the single integration to improve the operational efficiency with other customers.

Thank You

