

The Top 8

Challenges of Pharmaceutical Supply Chains in 2021



AT A GLANCE 1/2

Covid-19 presents not only as a threat to human life, but also as a disruption to much of the world's socio-economic trends.

Industries like pharmaceutical and biotechnology remain at the forefront, attempting to find or develop solutions as needed.

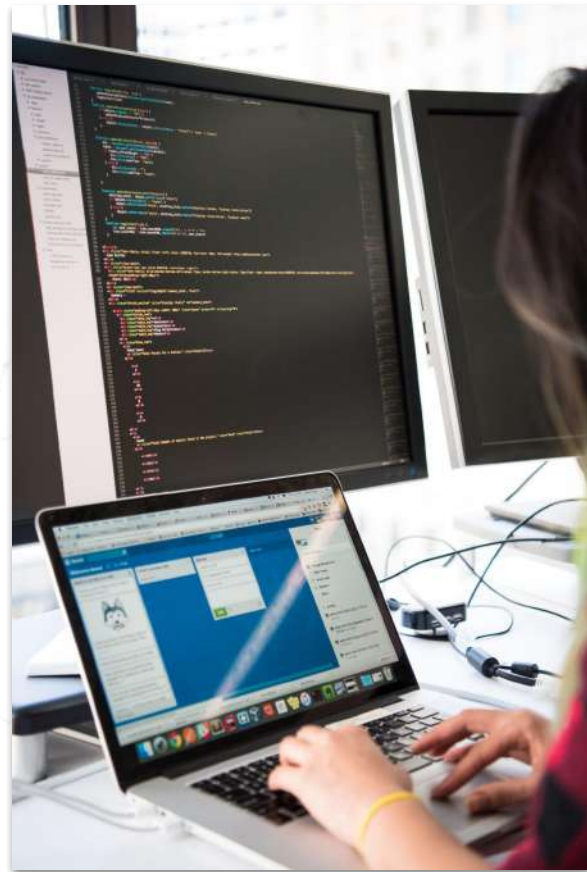
In its current state, **the efficiency of the pharmaceutical industry's supply chain still shows room for improvement** and may need some transformative changes to thrive, going forward.

Specific pharmaceutical supply chain **challenges that concerned top executives include shortage of raw materials, unprecedented changes in demand pattern, inability to plan lead-times, shortage of labor** and more.

AT A GLANCE 2/2

Pharmaceutical supply chain challenges have been a major cause of concern for the industry throughout 2020. Today, these challenges are still very much prevalent, even as the world moves ahead towards the new normal. The COVID-19 pandemic caused a major global socio-economic impact which led to disruption in almost all facets of the industry.

Modern companies **equipped with the right tools and technologies have been quick to adjust to the changes. Organizations that still functioned on archaic systems were struggling to adapt to the business processes changes brought about by the pandemic.** Slow to adapt companies had to put in more effort to understand the changes required and adapting to the changes without the right technologies in place can be daunting.



Major Pharmaceutical Supply Chain Disruptors 1/3

01

Change in Demand Patterns

02

Shortage of Raw Material

03

Halted or Slowed Travel

04

Lack of Onsite Resources

05

General Uncertainty

Major Pharmaceutical Supply Chain Disruptors 2/3

Adding to the list of disruptors was the inability of companies to quickly transition to newer applications which would let them get into the rhythm of modern cloud-based solutions. Previously unconsidered major issues that surfaced during the pandemic included:

The demand for therapeutics and/ or vaccines led to an overdrive of pressure on the industry.

The lack of resources and slow global travel have increased pharmaceutical supply chain disruptions.

Changes in quality standards have added new tasks to the workforce that were not part of their day-in-the-life and had to adapt to rapidly.

Major Pharmaceutical Supply Chain Disruptors 3/3

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Changes in quality testing created adjustments in the test specification and additional steps in testing.

Disintegrated systems made it harder for the workforce to stay agile and adjust to the changes that came their way.

Inability to manage supply-demand cycles.

70%

70% of the leaders said that the **pharmaceutical supply chain was vulnerable to ongoing problems caused by the continuation of the pandemic** and that on-time, in-full delivery of medicines has deteriorated by almost 50% within the first few months of the pandemic.

Source: IDC Whitepaper Report

Top Concerns 1/2

In times like these, a large percentage of manufacturing companies are able to rise to the challenge, leveraging modern solutions such as:



Cloud applications



Artificial Intelligence (AI)



Big Data

Top Concerns 2/2

Risk-averse pharmaceutical companies, however, are still subject to supply chain challenges, mostly due to the lack of tools in place to make them nimble. Let's look at the top 8 concerns of the **pharmaceutical industry** supply chain that can have a huge impact:



8 Top Concerns 1/4

1 Unprepared for further disruptions

Different countries worldwide are struggling with second or third waves of the pandemic (and many have reported new mutant strains of the virus). These continuous disruptions have led to major disturbance in the pharmaceutical distribution system.

2 Technological bottlenecks are prevalent

The pharmaceutical industry has been highly apprehensive and traditional in adopting newer technologies. While the last decade has seen major leaps, there are still many bottlenecks in leveraging technologies to their full potential.

8 Top Concerns 2/4

Shortage of raw material

3

The inability to plan effectively during the pandemic can cause many hurdles if procuring raw materials. Knowing lead times and accurate inventory quantities without a planning tool can slow you down significantly as you try to extrapolate data and understand your supply schedule.

Standard operating processes & procedures

4

As workforce within the pharmaceutical industry needs to be onsite, proper SOPs need to be set. This would add new processes that warehouse personnel need to be trained on. A lack of the right kind of training tools can add to the burden.

8 Top Concerns 3/4

5 Managing cold storage facilities is resource-intensive

Some of the products have to be stored at very low temperatures to ensure that the potency and formulation remain intact. This would need pharmaceutical supply chains equipped with refillable dry ice containers or specialized freezers, both of which are not budget-friendly options.

6 Pharmaceutical safety guidelines & regulations differ across borders

The pharmaceutical industry has to be very tenacious and alert when adhering to the safety guidelines and regulations. However, pharmaceutical supply chain challenges get magnified as the raw materials and drugs cross borders and these regulations keep on changing.

8 Top Concerns 4/4

Rapid drug delivery

7

The historical task of bringing medicines to market is a race against time. Pharmaceutical operations and [supply chain management](#) handling need to be as efficient as they come to ensure lesser bottlenecks and plausible errors in these testing times.

Lack of integration across processes

8

When your inventory, manufacturing, labeling operations don't talk to each other and are manually managed, the error rate will go up and business productivity will go down.

Key Takeaways

By the end of 2021 the pharmaceutical supply chains will have been pushed to their limit. However, with the right **strategy, technologies, and solutions**, the pharmaceutical sector will undoubtedly rise to the occasion.

Pharmaceutical **manufacturing and distribution companies are facing a once-in-a-lifetime level of challenge** and they need to streamline their operations to ensure the efficiency of supply chains.

These challenges in the pharmaceutical supply chain have been a part of this sector for a long time, and **companies that aren't properly equipped will tend to struggle more than others**. This is the right time to transform, and equip your organization with the right technologies to allow for a better tomorrow.

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Our team is comprised of forward-thinking, experienced Subject Matter Experts (SMEs) and Technology Consultants with decades of business, industry, and regulatory experience.

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