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Future Challenges for Pharmaceutical Supply Chains

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Prof. Blome joined Sussex in 2014, prior to that he was the GlaxoSmithKline Chaired Professor in Strategic Sourcing and Procurement at Université Catholique de Louvain, Belgium and affiliated with the Center of Operations Research and Econometrics. He continues these roles on a part-time basis. He has received several awards for his outstanding research, investigating issues in supply chain management, procurement and operations management with a strong focus on sustainability, innovation and risk issues.

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Dr. Schleper received his doctoral degree from EBS University for Business and Law in 2014, where he worked as Project Manager for sustainable supply chain management. In 2015 he took up the role of postdoctoral researcher at the German Graduate School. He has more than five years' experience conducting research into supply chain networks, buyer-supplier relationships, supplier development, sustainability along the supply chain, supply chain risk management, corporate social responsibility, and business ethics.

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Dr. Hofmann received his doctoral degree from EBS University for Business and Law in 2015. Currently, he works as a scientific consultant, planning and conducting studies within the field of supply chain management. He has five years' experience in the areas of supply chain networks, sustainability along the supply chain, supply chain risk management, corporate social responsibility, and business ethics.

This study is the first output of the newly formed "Pharma Supply Chains and Healthcare Technology" research group at the University of Sussex. The group works collaboratively with corporate experts and NGOs conducting research into major issues of practical relevance to industry and organisations.

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1 Executive summary

The pharmaceutical industry is facing an era of fundamental transformation, with new products, markets, and regulations requiring changes to governance, risk and supply chain management. These represent both threats and opportunities to the industry, for those who are able to harness developments.

Through the provision of example scenarios, this report aims to provide pharmaceutical supply chain managers with the necessary information to help them find the right strategic solutions for their companies over the next ten years.

Based on a thorough review of current practical and academic literature, the research team identified twelve future key developments with the potential to impact pharmaceutical supply chains over the next ten years (2015-2025). Based on assessments by 30 European pharmaceutical managers, the report provides analysis of the probability and impact of each development on pharmaceutical supply chains. It scopes the extent to which pharmaceutical supply chain managers welcome and feel able to influence each development.

The study finds that developing robust compliance and risk management measures ranks as the most likely development that will have the greatest impact on the industry. Expanding into emerging markets and the availability of detailed patient data to increase efficacy through precise forecasting are also predicted to have a significant impact on the industry.

The research team clustered the results from the consultation with expert managers to provide a future map of pharma supply chains. This map enables companies to think about how to build strategies to adapt to the forecasted challenges early on.

In order to enable managers to really visualise the future, and plan accordingly, the research team builds four different scenarios using two of the predicted challenges (complexity and uncertainty) providing analysis and strategy recommendations for each scenario.

The report concludes with a short overview of the key challenges facing pharma and suggests some strategies that will enable companies to not only deal with these challenges, but lead the industry.

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