

DHL is prepared to tackle emerging demands and needs in the Life Sciences/Healthcare sector

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Singapore: Asia Pacific is home to countries that propel growth and ignite success. Numerous pharmaceutical and biotechnology businesses seek proximity to key markets and wish to expand into new pharma territories. As the Life Sciences and Healthcare industry further develops across the Asia Pacific region, *DHL* continues enabling growth and being the trusted logistics partner. With over 25 years of experience in the supply chain, Scott Allison, President, DHL Life Sciences & Healthcare, speaks to *BioSpectrum Asia* and gives an insight on the trends in Life Sciences/Healthcare and how solution providers like *DHL* are responding to emerging demands and needs in the industry.

Q. From DHL’s experience, can you briefly talk about the synergies (similarities) as well as difference in managing logistics for life sciences and healthcare as opposed to other sectors?

Scott: Well, I have been in the technology sector for more than 24 years and every sector has its own unique characteristics. I have noticed logistics commonalities between these two sectors. This means the DHL services that enable the efficient handling and transportation of computer equipment are also well suited to supporting patient care. However, servicing our customer needs is always our utmost priority. We, at DHL, acknowledge that our actions and corporate decisions have a direct bearing on people’s lives. Company’s vision has always been about improving quality of life and we have great anecdotes to tell in the life sciences sector.

Q. In DHL’s experience, are there any specific value-added services that are of particular interest to healthcare and life sciences customers?

Scott: We are developing fast. Interestingly, in today’s market, big pharmaceutical companies don’t just have a pharmaceutical catalogue. Many companies who are market players in medical devices, or agriculture, or animal health, are also offering a foray of consumer products (shampoos, creams, gels). Till I got into this space, I had little appreciation of the large degree of consumer products sold by the same companies who were selling pharmaceuticals. From a consumer supply

chain perspective, things like co-packaging are really interesting. We are now focused on more patient- centric dialogues, with our business discussions centered primarily on supply chain as an enabler for different areas. Diabetes is a very clear example; how logistic solution could bring dramatic improvements in healthcare across the globe. We are also using robots to help print cartridges, vials and syringes together.

Q. What are some of the country/ region specific considerations or variations, in say, aspects like supply chain/ customs/ regulation/ quality control/ time critical/ perishable controlled products?

Scott: Regulations are really important in Life Sciences and Healthcare sector. The quality organizations of most of our customers, especially in the pharma side have a very strong voice as compared to technology sector. If you want to change something in the pharma sector supply chain, there are a number of quality checks that have to be redone and rechecked before those things can be deployed. That's partially the reason for slower adoption rates in the pharma sector as compared to technology.

Q. How is DHL life-sciences responding to cost and efficiency challenges, which I presume is as much a business consideration/ constraint for this sector, as it is for other sectors and players?

Scott: Historically, the life sciences industry hasn't had much focus on logistics costs. The reason is low logistics costs as a percentage of sales (less than one percent). The numbers are grimmer for pharma, only being at half a percentage. So, I think logistics don't get a lot of weightage in the pharma border. Now, as pressure continues from government and regulators on the overall healthcare system cost, anticipations are that logistics cost as a percentage of sales will increase, and as it increases, it will become a more important topic. I am not only looking at the logistics cost but also the supply chain cost - both direct costs (such as transportation, warehousing) as well as indirect costs (such as inventory, cost of lost sales). Industries which are mature in supply chain thinking and supply chain concepts, take both these elements into consideration.

Q. How does DHL differentiate itself from competitors?

Scott: Well, we have a first mover advantage in the life sciences and healthcare sector. DHL has been here for more than 17 years and we understand customers language. I also work for a group called Customer Solutions and Innovations, which has three core value levers- We work with the world's top companies and offer strategic account management services. Given our deep domain and sectoral knowledge of healthcare and life-sciences, we are able to partner with our client in providing relevant insights and innovative solutions to their key business considerations such as market trends and growth areas. Thirdly, we are also responsible for their customer centric innovation agenda. It is a combination of these three things which really makes DHL unique and stand out from its competitors.