

MEDIUM-SIZED ENTERPRISE GERMANY

The risk story 3



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Medium-sized enterprise from Germany

Context of the Company and the Supply Chain

The company is a fast-growing pharmaceutical logistics company which offers transport, warehousing and complete logistics services throughout Europe to its clients, which are pharma producers or wholesalers. For its achievements in high quality logistics, the firm won three times the international "Cool Chain Excellence Award". The ever-increasing legal and regulatory requirements on the pharmaceutical industry have dramatically changed the challenges and complexity of cool chain logistics. Furthermore, the industry is trending to less-than-truckload (LTL) shipping, which places high demands not only on the pharmaceutical companies, but also on the efficiency of pharmaceutical logistics.

Digitalization of SC

Most interactions with clients are digitalized. There is an own ERP and warehousing system. For some clients the company has direct access to the client ERP systems. A tracking and tracing solution ensures real-time monitoring of orders. For the high-tech pharma liners every five minutes the telematics system transmits a range of data to the control centre via GPRS, including, for example the position and temperature of the cargo and the level of diesel in the fuel tank.

Risk Management

As part of the quality and risk management regular risk analysis or reviews triggered by events (such as COVID) are carried-out. There is extensive training to ensure that everybody knows and applies the stipulated practices.

The responsibility lies with the Head of Quality Management.

Practice of Risk Management:

Operational risks

In pharma logistics a risk to be avoided by all means, is the interruption of the cooling chain. Operational transport risks may be due to adverse weather conditions or traffic situations, as well as risks of communication disruptions during transport ("Black spots").

The company follows a holistic quality and risk management strategy and has developed its own Cool Chain system as an integral quality and risk management approach. The firm is certified according to ISO 9001 quality standard and ensures compliance with the current Good Manufacturing Practices (GMP) and Good Distribution Practices (GDP).

COVID-19 related risks

During the pandemic the company is increasingly facing risks such as a rising number of thefts, as medical equipment is very demanded during the crisis. The company is using its telematics system to track their trucks and is always in touch with the driver. In case thieves try to rob the transporter, the police is immediately informed. Interruption in the cooling chain is another related risk as transportation needs longer than usual in these times.

Benefits of risk management

A good risk management lowers the cases of an interruption of the cooling chain and improves the overall performance of the company.