



► Pharmaceuticals & Life Sciences

- Chemicals & Petrochemicals
- Pharmaceuticals & Life Sciences
- Consumer Goods
- Strategy & Business Model Innovation
- Business Transformation & Organization
- Supply Chain Management
- Operational Excellence & Lean Manufacturing
- Sourcing & Procurement
- Logistics & Distribution
- Marketing & Sales
- Strategic Information Management
- Partner for IT Applications & Solutions



PHARMA Management Radar

CAMELOT
MANAGEMENT CONSULTANTS

ISSUE ► 1/2016

Focus Topic: Differentiated Supply Chains

▶ Pharmaceuticals & Life Sciences



Publisher

Dr. Josef Packowski · Managing Partner

Authors

Peter Holland · Partner and Head of Pharma Value Chain
Andreas Gmür · Partner and Head of Logistics Practice
Steven Malbrant · Consultant

Spring 2016

©2016 CAMELOT Management Consultants AG



Introduction

Life Sciences companies are currently impacted by various trends that increase the complexity of their business, particularly in the supply chain area. The differentiation of supply chains might be a way out of the complexity trap. But what does the pharmaceutical industry think about this? Are differentiated supply chains seen as a suitable approach to master complexity?

The current 7th PHARMA Management Radar survey explores

- which industry trends are the main drivers for an increasing complexity
- whether and to what extent Life Sciences companies are already applying differentiation strategies to address complexity
- in which areas and how comprehensively these strategies are applied or planned
- what the most effective segmentation criteria and procedures for differentiated supply chains are.

In addition, the survey examines the general business climate in the Life Sciences industry.

About the seventh PHARMA Management Radar

The PHARMA Management Radar by CAMELOT Management Consultants is a bi-annual survey to illustrate current global business trends in general and additional focus topics in detail. The survey examines the current state of the general global business climate in the Life Sciences industry with a strong focus on Europe. It highlights changes, trends and key challenges, and it reveals what companies are doing in response.

Companies with a business model predominantly characterized by developing and/or commercializing innovative medicines ("Innovators") comprised around 70 percent of respondents; roughly one third were participants from companies predominantly active in the generics segment ("Generics"). Survey participants include the representatives of 70% of the top global pharmaceutical companies including all top 5 firms. The interviews were conducted by means of an online questionnaire in January and February 2016. The focus topic of the seventh PHARMA Management Radar is **differentiated supply chains**.



Dr. Josef Packowski



Andreas Gmür



Peter Holland

A handwritten signature in blue ink that reads "Packowski".

Dr. Josef Packowski
Managing Partner

A handwritten signature in blue ink that reads "Gmür".

Andreas Gmür
Partner, Head of Logistics Practice

A handwritten signature in blue ink that reads "Holland".

Peter Holland
Partner, Head of Pharma Value Chain

CAMELOT Management Consultants AG

Basel/Mannheim, Spring 2016

Table of Contents

Introduction	3
Management Summary	5
Part 1: Business Climate	
Assessment of the current business climate for the Life Sciences industry in Europe	8
Assessment of changes in the business climate for the Life Sciences industry in Europe during the next twelve months	8
Global business development	9
Assessment of the demand situation during the next twelve months, according to regions	10
Assessment of employment figures during the next twelve months	11
Assessment of development of external sourcing volume during the next twelve months	11
Investment plans during the next twelve months, according to regions	12
Assessment of global business risks in the Life Sciences Industry	13
Assessment of the most important global industry trends in the Life Sciences industry	14
Evaluation of Mergers & Acquisitions	15
Focus of Mergers & Acquisitions	15
Part 2: Focus Topic “Differentiated Supply Chains”	
Trends impacting supply chain complexity	16
Criteria for supply chain differentiation	17
Initiated or planned differentiation approaches	18
Procedures to encounter increased supply chain complexity	20
CAMELOT Management Consultants	22

Please register here for the participation in the next PHARMA Management Radar survey:

www.pharmamanagementradar.com

Order free copies of Camelot’s studies on the global Life Sciences industry at:

<http://www.camelot-mc.com/insights>

Management Summary

The good old times are gone – at least with regard to simplicity in business life. This is particularly true for Life Sciences companies who are currently impacted by various trends increasing the complexity of their business, especially in the supply chain area. Despite a generally very optimistic view of the current and future business climate, most industry players seem to be aware of this complexity and of the need to react to it. Many executives share the opinion that differentiated supply chains may be a suitable solution to this challenge. They are at strife, however, with regard to which differentiation strategies in which areas to focus on.

This is the picture that emerges from the seventh CAMELOT Management Consultants PHARMA Management Radar survey, a bi-annual survey that serves to examine the general climate in the Life Sciences industry and additionally take an in-depth look at a varying current management topic. In January and February 2016, more than 40 executives from globally active pharmaceutical companies based in 13 countries and spread over several continents participated in the online survey. The focus topic of the seventh PHARMA Management Radar is differentiated supply chains.

Outlook for business climate on record high

Having improved further since the Pharma Management Radar survey conducted six months ago, the executives' view of the business climate for the pharmaceutical industry is on a new record level. 92 percent of participants rate the situation "mostly good" or "good" (2/2015: 90%). This particularly applies to the Generics executives, all of whom have a positive impression of the business climate, whereas 12 percent of Innovators consider the current business climate "mostly bad". These mood differences are also reflected in the outlook on the economic developments during the next twelve months: The share of Generics expecting the business climate to remain just as good in the next twelve months is higher than the share of optimistic Innovators (79 vs. 64%).

Biotech products drive growth expectations in established markets

Respondents are even more optimistic with regard to their own business development, confirming the bullish mood expressed in the survey conducted six months ago. More than 90 percent expect their sales performance to improve while more than three quarters are confident of being able to raise EBIT in 2016. With regard to the world regions driving this growth North America performs very strongly with 68 percent of respondents having positive demand expectations – a trend that started to become relevant in the last survey. Growth expectations attributed to various other established markets hint at the very positive development of biotech products. Concerning China, fears of a general economic slow-down are reflected in the fact that expectations are still mostly positive but have been lowered as compared to half a year ago. Russia, too, is looked at with increasing pessimism.

Investments focus on China, North America and Germany

Many of the Life Sciences industry's regional investment plans for the next twelve months reflect these expectations. China, North America and Germany stand out as particularly strong markets. For China, where investment plans are very widespread among Innovators, the development is not surprising, as this market is expected to continue its growth in the next years. India and some other emerging markets, on the other hand, are more attractive for the Generics as a target of investment.

As one may expect, the will to invest and the general economic optimism are accompanied by growing employment figures. While one year ago nearly half of all respondents had expressed plans to reduce the number of employees, today more than 70 percent of respondents expect to keep their employment figures constant or to even increase staff during the next year. At the same time, however, cost awareness leads to a stable volume of external sourcing. Not surprisingly, external sourcing plays a considerably higher role for Innovators (94 vs. 55%), for whom cost pressure is a particularly relevant topic.

Patent expiry no longer seen as major risk

As far as the greatest risks for the companies' business development during the next twelve months are concerned, patent expiry, which used to be considered a major risk in 2015, has fallen back massively (27 vs. 48%). It seems that R&D progress is stronger than previously expected and that industry players are confident that new biotech developments may compensate for expired patents. Instead, cost pressure (63%), increased challenges in the regulatory environment (47%) and political risks in growth markets (33%) are now named as the most relevant risks by representatives of the Innovators and Generics segments. Considering these results it is not surprising that more than three in four respondents again name cost-related measures as the most important industry trend. Efforts to secure supply reliability and the concentration on emerging markets, too, are considered important trends.

Rising relevance of mergers and acquisitions

As far as the Life Sciences industry is concerned, the trend for mergers and acquisitions – which reached a peak in 2015 – is expected to continue in 2016. Shire plc already announced the 6.6 billion US-Dollars acquisition of Dyax. And Generics producer Teva is working on the 2.3 billion US-Dollars takeover of Representaciones e Investigaciones Médicas, S.A. de C.V. (Rimsa), to name just two examples of upcoming deals in 2016. According to two thirds of respondents, the number of M&A deals will even increase this year. When asking for reasons for and focus of current and future M&A activity, corporate growth clearly stands out as the main motivation. For Innovators, access to specific products is particularly important (53 vs. 18%), whereas Generics are more interested in gaining access to new therapeutic areas (36 vs. 29%). Furthermore, several participants from the Innovators segment cited tax optimization – which also played a considerable role in the Pfizer-Allergan deal stopped by the US Government in early April – as a driver for M&As.

Pharma supply chains: What drives complexity?

When it comes to trends impacting the complexity of their supply chain, both Innovators and Generics attribute high impact (54%) to lower volumes per stock keeping unit. Especially Innovators feel highly or even very highly impacted (65%) by the increased number of country-specific make-ups, e.g. different types of packaging demands according to regions. Furthermore, their supply chain complexity is for obvious reasons impacted highly or very highly (66%) by the increased number of biotech products. The trend of increased volatility in demand is also particularly relevant for representatives of this business model, who have to increasingly handle lower volumes at higher costs. Similarly, temperature-controlled drugs are attributed high or even very high impact by a majority of Innovators, but only by one fourth of Generics' respondents. This is not surprising, given that the "cold chain" is a prerequisite for many biotech products – a market still mostly dominated by Innovators.

Differentiated supply chains are gaining relevance – clear solutions are missing

Innovators' and Generics' representatives are also at variance with each other in terms of the most relevant criteria along which supply chains should be differentiated. Innovators have a strong focus on customer needs whereas Generics are very much interested in product families and product categories as a criterion to differentiate supply chains. Generally, answers regarding the various differentiation criteria are very volatile, which adds to the impression that the industry as a whole has not yet found an overall solution for supply chain differentiation. It seems that the industry is unsure about how to differentiate – and the right strategy may in fact depend on the respective company.

Where differentiation approaches are applied

The fact that most companies have realized the relevance of differentiation is reflected in the considerable share of respondents actively dealing with the subject already. This is particularly true for manufacturing and logistics. In manufacturing, 46 percent of Innovators and 54 percent of Generics have initiated or planned to apply different strategies, while different processes are a topic for 46 percent of Innovators and 31 percent of Generics. In logistics, Generics mainly focus on different processes, while many Innovators take into account different strategies as well. Sales and supply chain planning methods also show relatively high rates of planned or applied differentiation approaches, with Innovators preferring different sales strategies. Though up to one third of respondents have not yet decided on differentiation approaches, the results clearly indicate that the topic has finally arrived in the pharmaceutical supply chain.

Which differentiation procedures are suitable?

As far as the various possible procedures to encounter increased supply chain complexity are concerned, enhancing collaboration with customers as well as a transition to flexible manufacturing networks are considered good procedures by the vast majority of respondents – and also already applied by most of them. Implementation of manufacturing postponement as well as logistics postponement, on the other hand, is much more relevant for Innovators than for Generics (81/89 vs. 45/58%). Opinions differ when it comes to vendor-managed inventory systems: While 68% of representatives of both business models advocate this procedure, over one third of participants do not consider it a good procedure. The relatively low rates of companies already applying this procedure might be due to this fact.

To sum up, the survey shows that a considerable amount of differentiation projects have been implemented or at least planned in various subareas. Nevertheless, there is ample potential to further profit from the advantages of differentiated supply chains – which is why the topic will most likely gain further relevance in the near future.



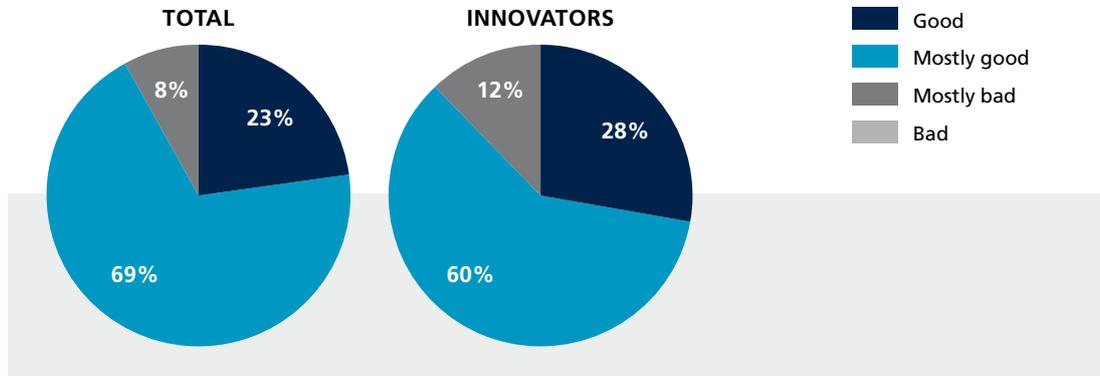
The changes in the product portfolio of research-based pharmaceutical industry make traditional supply chain models become a phase-out model. The future belongs to differentiated, patient-centric supply chains based on integrated end-to-end-strategies."

Dr. Josef Packowski · Managing Partner · CAMELOT Management Consultants AG

Part 1: Business Climate

Question 1.1: Assessment of the current business climate for the Life Sciences industry in Europe

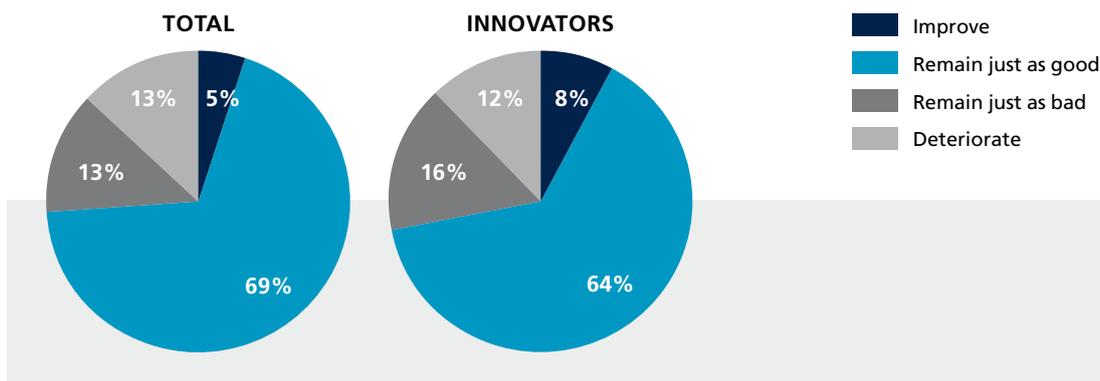
Question 1.1:
The business climate in Europe for the Life Sciences industry is:



Having improved further since the Pharma Management Radar Survey conducted six months ago, the executives' view of the business climate for the Life Sciences industry is on a new record level. 92 percent of participants rate the situation "mostly good" or "good" (2/2015: 90%). While all of the representatives of the Generics segment have an optimistic view of the business climate, assessments are a bit more reserved among the Innovators: 12 percent of respondents from this group consider the current business climate "mostly bad". The slight difference between the two groups reflects the fact that Innovators are facing higher risk and stronger cost pressure, while the mega brand Generics are less strongly impacted by these aspects and more likely to remain as successful as they are.

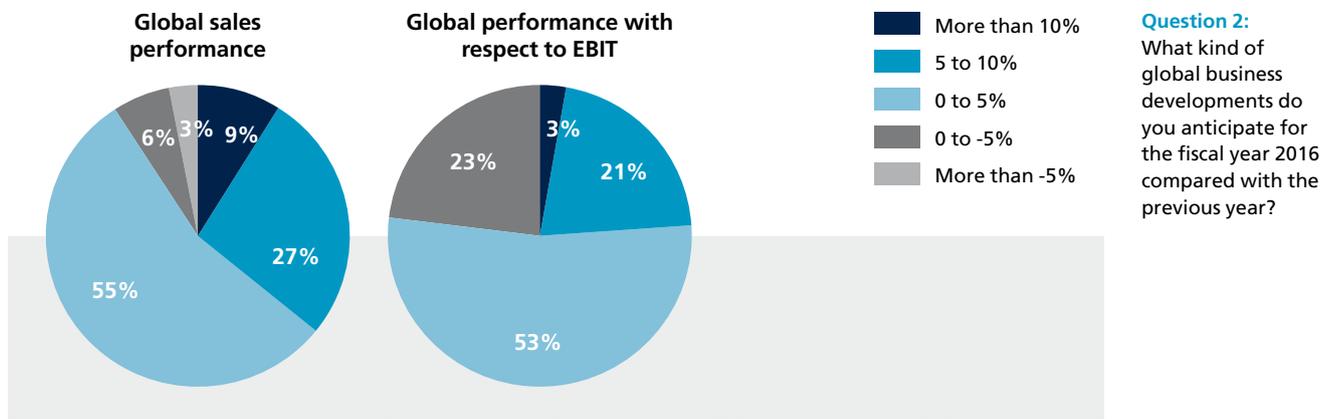
Question 1.2: Assessment of changes in the business climate for the Life Sciences industry in Europe during the next twelve months

Question 1.2:
The business climate for the Life Sciences industry in Europe will (improve, remain, deteriorate):



Not surprisingly, the mood differences between representatives of the different business models are also reflected in the outlook on future economic developments: The share of Generics expecting the business climate to "remain just as good" in the next twelve months is higher than the share of optimistic Innovators (79 vs. 64%). Generally, however, optimism is slightly weaker than six months ago, with one in four respondents expecting the business climate to "remain just as bad" or even "deteriorate" (2/2015: 20%).

Question 2:
Global business development



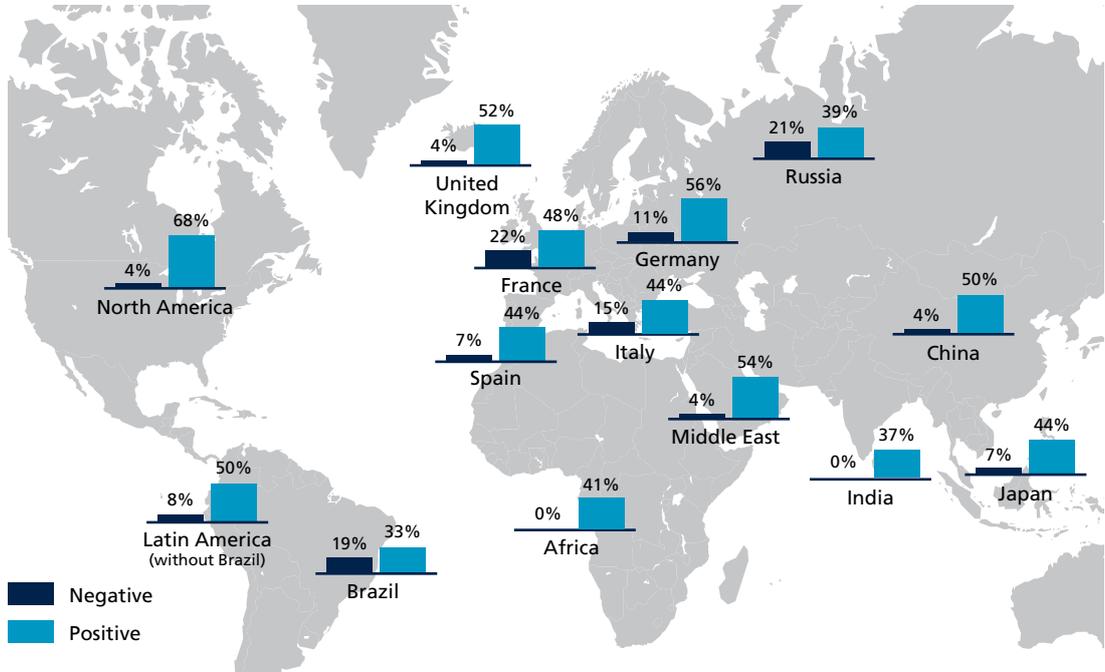
Question 2:
What kind of global business developments do you anticipate for the fiscal year 2016 compared with the previous year?

As far as the respondents' own business development is concerned, however, the industry players remain as optimistic as they were six months ago. More than 90 percent of respondents expect their global sales performance to improve, while only six percent anticipate shrinking revenues during the current fiscal year. In consistence with their general business climate assessment, the Generics respondents are particularly bullish regarding their global sales outlook. Some ten percent of Innovators, on the other hand, expect decreasing revenues, which may again be traced back to the relatively higher risks that these industry players face.

When it comes to EBIT performance expectations, the situation has not substantially changed since the last survey conducted half a year ago. The view is generally optimistic, though expected growth rates are higher with regard to sales, where some 36 percent expect a rise of more than 5 percent – as opposed to some 24 percent expecting an EBIT plus of the same level. Interestingly, the share of respondents expecting EBIT to grow during the current fiscal year is higher among the Innovators (79 vs. 71%) – which hints at the relatively higher margins that some of these industry players can realize, especially with regard to biotech products.

Question 3:
Assessment of the demand situation during the next twelve months, according to regions

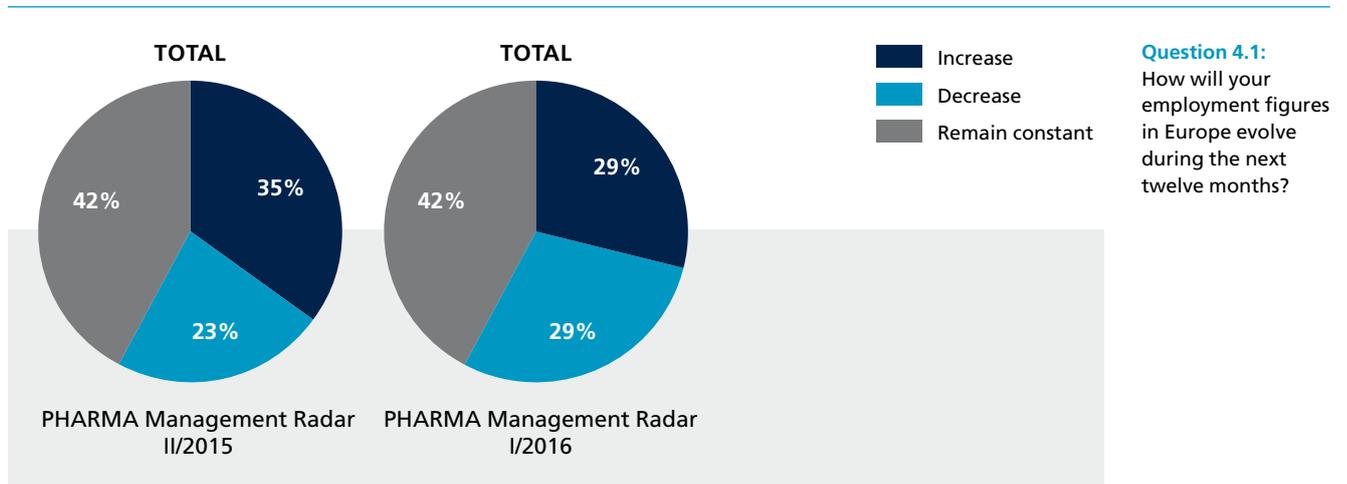
Question 3:
 How will the demand for your products evolve during the next twelve months in the following markets (-15% to +15%)?



When it comes to the Life Sciences industry’s growth expectations according to regions, an interesting trend observed in the survey conducted six months ago remains highly relevant: North America performs very strong with 68 percent of respondents having positive demand expectations and a considerable share even anticipating growth rates of more than five percent. Some other established markets including Germany and the United Kingdom are also considered growth regions by the majority of survey participants. What would have been a very surprising result not too long ago can now be traced back to the boom of new products with high margins in the field of biotech during the last two years. Obviously it is mainly the traditional markets of Western Europe and the USA that profit from the earlier stages of this development.

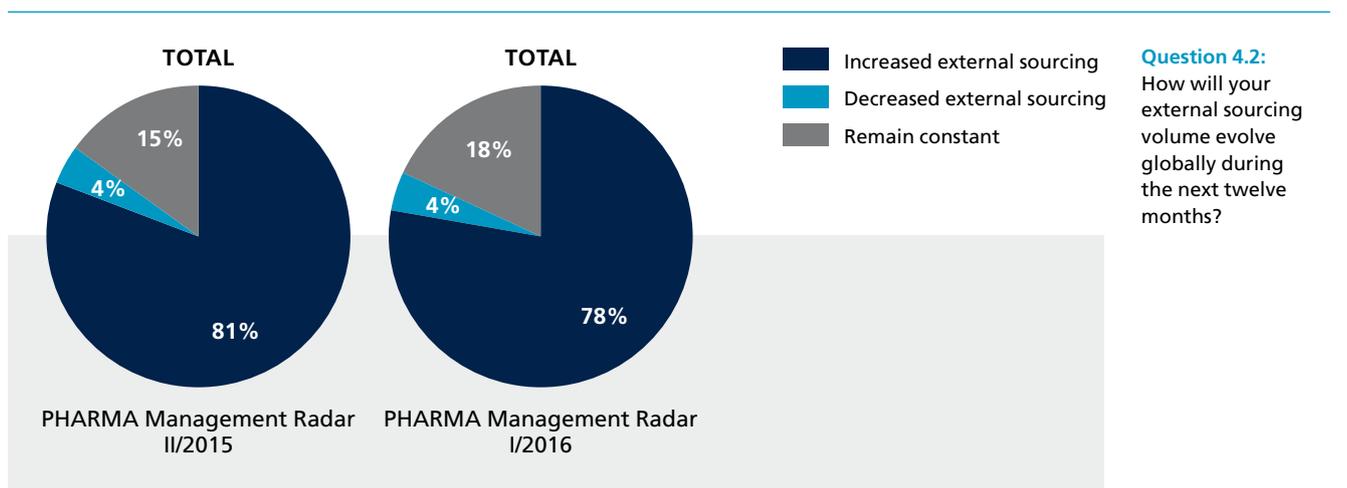
As far as the emerging markets are concerned, expectations for China are still mostly positive but have been lowered as compared to half a year ago. This seems rather logical given the growing fear of a general economic slow-down in the Far East. India and Africa are also rated rather optimistically by most respondents: Around 40 percent expect demand on the respective markets to grow while the rest is either unsure or anticipates a stable demand situation. When it comes to Russia, on the other hand, pessimism seems to be increasing again. The share of industry players expecting growing demand has fallen below 40 percent while more than one in five respondents assume that this market will develop negatively.

Question 4.1:
Assessment of employment figures during the next twelve months



The generally positive business outlook for Europe is reflected in the industry players' employment politics. While one year ago nearly half of all respondents had expressed plans to reduce the number of employees, the situation brightened up considerably six months ago. This trend clearly continues, with more than 70 percent of respondents expecting to keep their employment figures constant or to even increase staff during the next year.

Question 4.2:
Assessment of development of external sourcing volume during the next twelve months

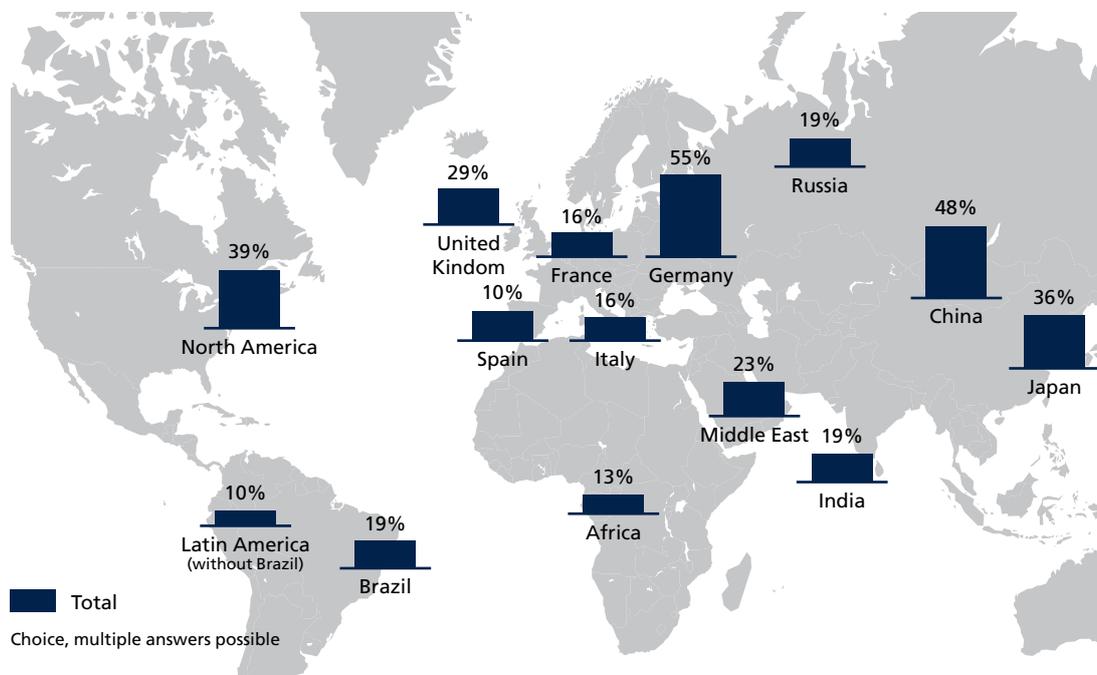


The industry's readiness to expand employment does not mean, however, that a higher share of work is going to be executed in-house. On the contrary, cost awareness regarding human resources has not decreased, which can be seen from the respondents' plans regarding external sourcing volume. The share of participants planning to increase external sourcing has remained stable since the previous survey. Not surprisingly, external sourcing plays a considerably higher role for Innovators (94 vs. 55%), for whom cost pressure is a particularly relevant topic.

Question 5: Investment plans during the next twelve months, according to regions

Question 5:

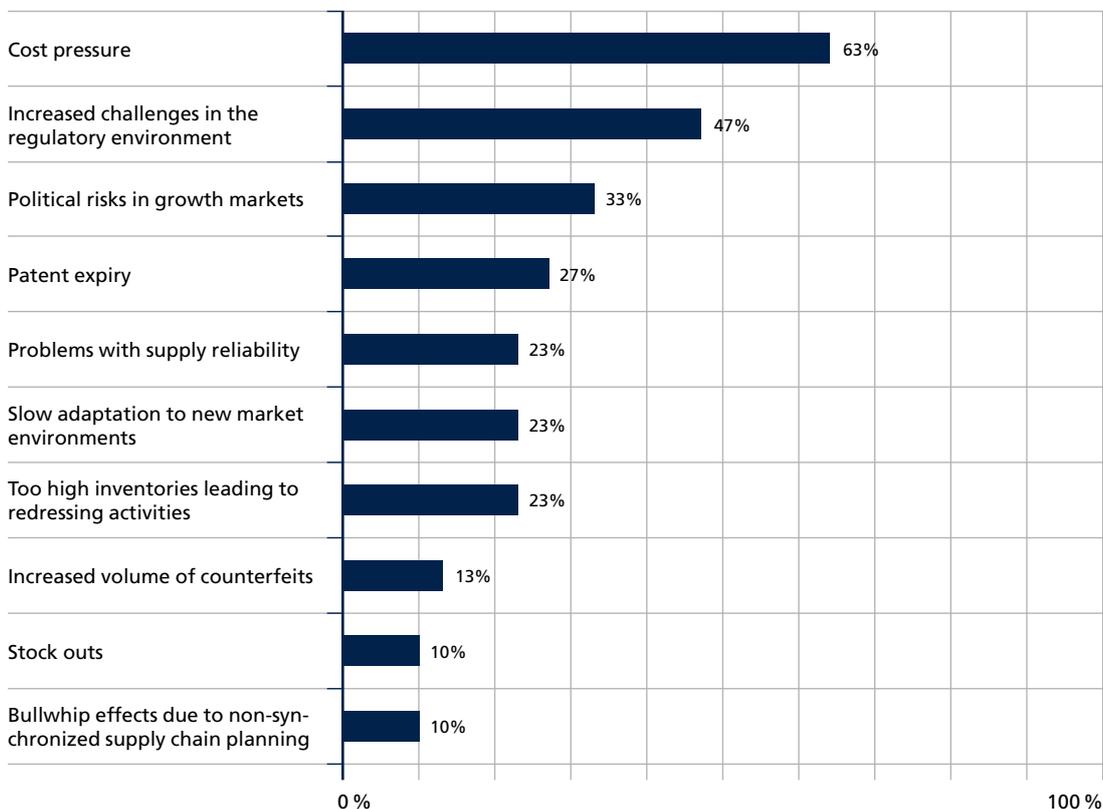
In which countries/ regions will your company invest during the next twelve months (license/ pipeline, development of competencies, organizational development, facilities and locations)?



When it comes to the Life Sciences companies' regional investment plans for the next twelve months, answers reflect many of the respondents' regional growth expectations. Thus China, North America and Germany stand out as particularly strong markets. The strong financial engagement – especially by Innovators – in the two established markets is in accordance with the generally positive business outlooks and the potential recently provided by biotech. In China, where investment plans are very wide-spread among Innovators, the development is not surprising, given that this market is expected to further increase its growth in the next years. India and some other emerging markets, on the other hand, are more attractive for the Generics as a target of investment. This can in parts be traced back to the price pressure existing in these regions. One must not forget, however, that the place of investment does not necessarily equal the sales market. China, for instance, has been increasing its import rates recently.

Question 6:
Assessment of business risks in the Life Sciences industry

TOTAL



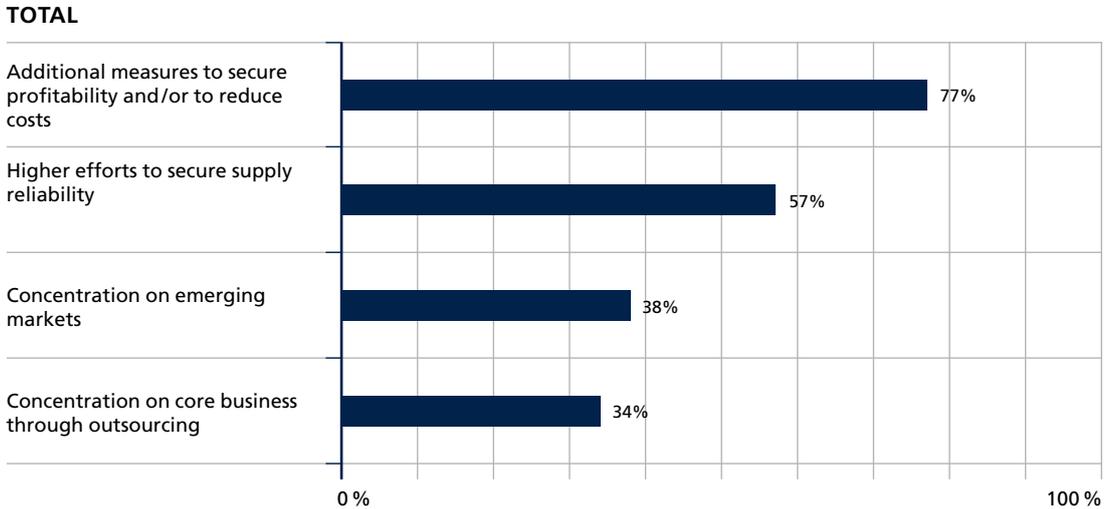
Question 6:
 The greatest risks for your company's business development during the next twelve months are:

As far as risks are concerned, the respondents' assessment has changed remarkably since the survey conducted six months ago. Patent expiry, which used to be considered a major risk in 2015, has fallen back massively (27 vs. 48%). Instead, cost pressure (63%), increased challenges in the regulatory environment (47%) and political risks in growth markets (33%) are now named as the most relevant risks by representatives of the Innovators and Generics segments.

While the latter three aspects have not changed much since the last survey, the lowered fear of patent expiry implies some sort of a basic change: It seems that progress in research and development has been stronger than previously expected and that industry players are confident that new developments may compensate for expired patents. Moreover, the increasing share of hard-to-copy biotech products lowers the relevance of patent expiry.

Question 7:
Assessment of the most important industry trends in the Life Sciences industry

Question 7:
 The industry's most important trends during the next twelve months are:



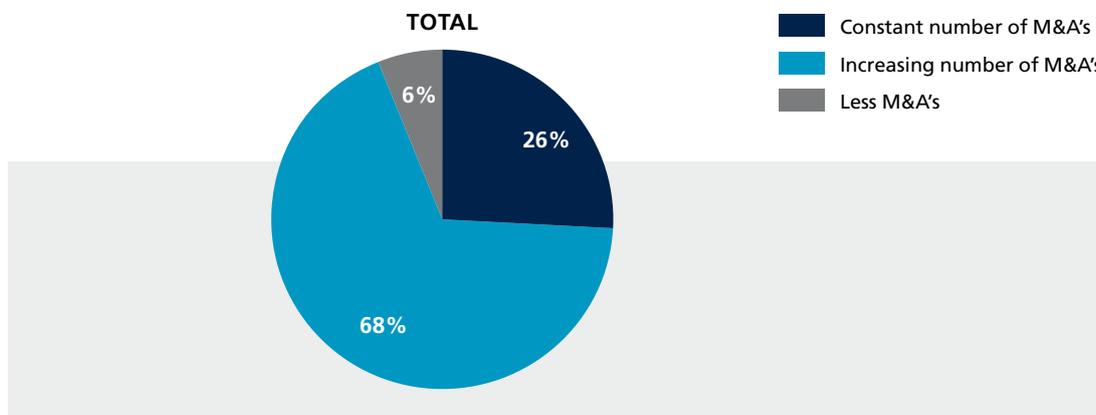
Given the results provided for the previous question, the main answer regarding global industry trends does not come as a surprise. More than three in four respondents name “additional measures to secure profitability and/or to reduce costs” – which shows that cost consciousness has remained on a very high level since autumn 2015. Efforts to secure supply reliability and the concentration on emerging markets, too, are still considered as important trends as half a year ago. The “concentration on core business through outsourcing”, on the other hand, has gained relevance since the last survey (34 vs. 12%) – which is a further indicator of the industry’s will to reduce cost.

The latter aspect is particularly relevant for the Innovators (43 vs. 15%), which is in accordance with the general results regarding outsourcing. It is interesting to see, however, that all industry trends (with the exception of cost reduction that is equally important for all players) are rated higher by Innovators than by the Generics representatives. This might be due to the fact that Innovators are much more confronted by industry trends and are therefore used to dealing with change.

“*The pharmaceutical industry has accepted differentiated supply chains as a way out of the complexity trap. However, companies still seem to be looking for suitable realization scenarios and strategies.*”

Peter Holland · Partner · CAMELOT Management Consultants AG

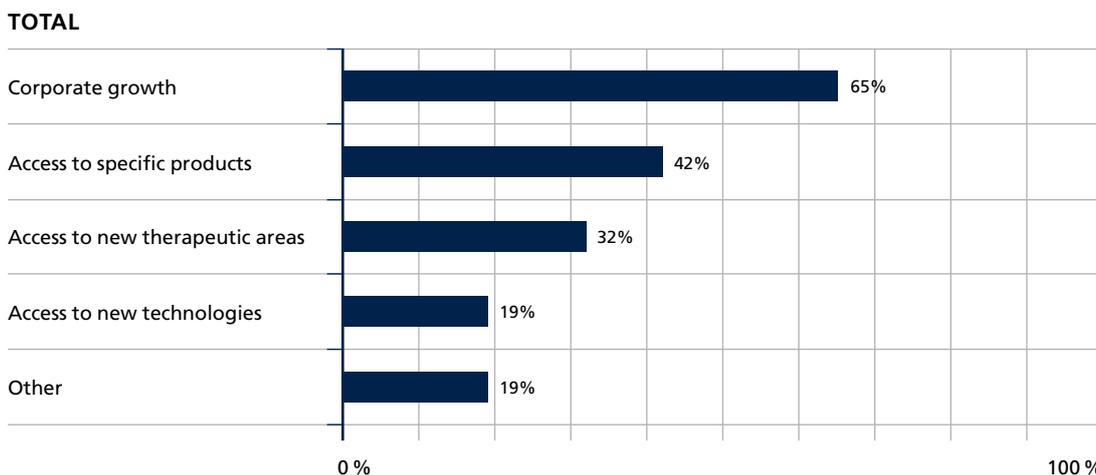
Question 8.1:
Evaluation of Mergers & Acquisitions



Question 8.1:
 How do you evaluate the general development of mergers and acquisitions in 2016?

2015 was a peak year for mergers and acquisitions (M&A) in the Pharmaceuticals and Life Sciences industry with a record level of over 400 billion US-Dollars of closed deals. This trend is expected to continue in 2016. According to two thirds of respondents, we will see the number of M&A deals increase this year. Most of the remaining participants expect M&A activity to remain constant, while just a very small minority (6%) anticipates less mergers and acquisitions.

Question 8.2:
Focus of Mergers & Acquisitions



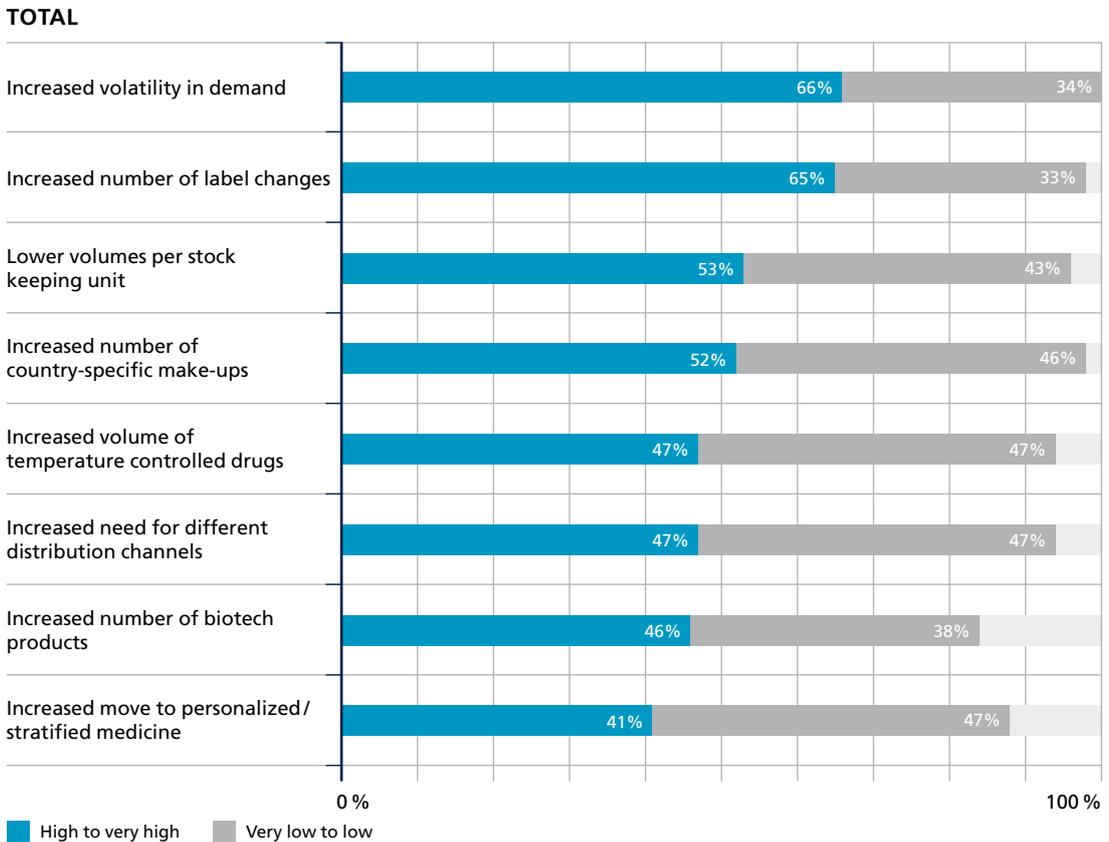
Question 8.2:
 In your opinion: What is the focus of current and future mergers and acquisitions?

When asked for reasons for and focus of current and future M&A activity, corporate growth clearly stands out as the main motivation. For Innovators, access to specific products is particularly important (53 vs. 18%), whereas Generics are more interested in gaining access to new therapeutic areas (36 vs. 29%). Furthermore, tax optimization – which also played a considerable role with regard to the 146 billion US-Dollars Pfizer-Allergan deal stopped by the US Government in early April – seems to be an important reason for Innovators. Several respondents representing this business model named tax-related reasons as their M&A focus.

Part 2: Focus Topic “Differentiated Supply Chains”

Question 9: Trends impacting supply chain complexity

Question 9:
How do the following trends impact the complexity of your supply chain?



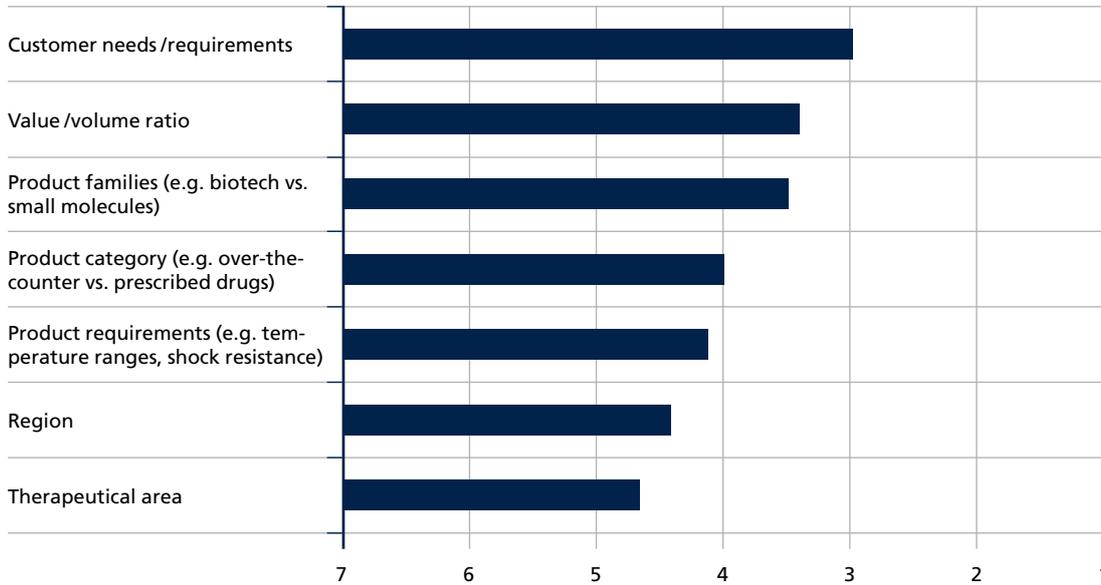
When it comes to trends impacting the complexity of their supply chain, many answers differ considerably according to the respondents’ business models. There are, however, some parallels: Both Innovators and Generics attribute high impact (54%) to “lower volumes per stock keeping unit”. Quite similarly, an “increased number of label changes” poses a complexity problem for both groups’ supply chains.

Taking a closer look at Innovators, their supply chain complexity is for obvious reasons impacted highly or very highly (66%) by the “increased number of biotech products”. Furthermore, especially Innovators feel highly or even very highly impacted (65%) by the increased number of country-specific make-ups, e.g. different types of packaging demands according to regions. The trend of “increased volatility in demand” is also particularly relevant for representatives of this business model, who increasingly have to handle lower volumes at higher costs. Similarly, the “increased move to personalized / stratified medicine” is more relevant for Innovators who are very much involved in the development of this trend. “Temperature-controlled drugs”, too, are attributed high or even very high impact by a majority of Innovators, but only by one fourth of Generics’ respondents. This is not surprising, given that the “cold chain” is a prerequisite for many biotech products – a market still mostly dominated by Innovators.

When it comes to the trend of an “increased need for different distribution channels”, the two groups once again share the same opinion, with 48 percent of Innovators seeing high or very high impact of this trend and 45 percent of Generics talking of high impact. The latter result may come as a surprise for some observers and may be traced back to the growing relevance of online channels for the Generics.

Question 10:
Criteria for supply chain differentiation

TOTAL



Question 10:
 Which are the most relevant criteria along which supply chains should be differentiated?

According to relevance (1=most relevant; 7=least relevant)

When it comes to the most relevant criteria along which supply chains should be differentiated, Innovators' and Generics' representatives are at variance with each other. Innovators have a strong focus on customer needs and requirements whereas Generics are very much interested in product families and product categories as a criterion to differentiate supply chains. Generally, answers regarding the various differentiation criteria are very volatile, which adds to the impression that the industry as a whole has not yet found an overall solution for supply chain differentiation. It seems that though there is a high degree of awareness for this topic, the industry is unsure about how to differentiate – and the right strategy may in fact depend on the respective company.

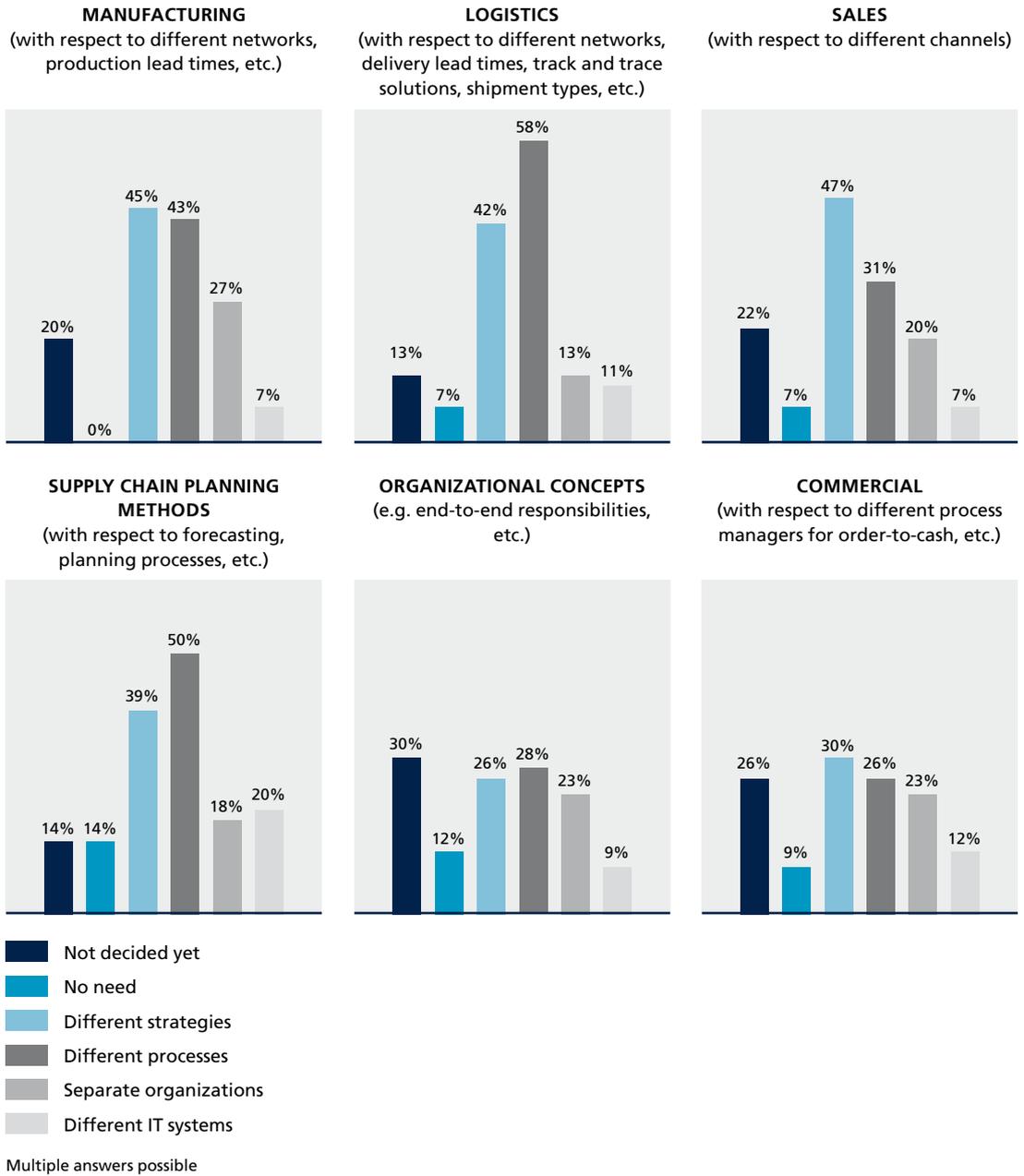


A stronger differentiation in product or customer-specific supply chains is the prerequisite for logistics to become part of new customer-centric health services and distribution channels and thus evolve into a value-creating revenue driver"

Andreas Gmür · Partner · Camelot Management Consultants AG

Question 11: Initiated or planned differentiation approaches

Question 11:
In which of the following areas have you already initiated or planned to apply differentiation approaches? (Multiple answers possible)



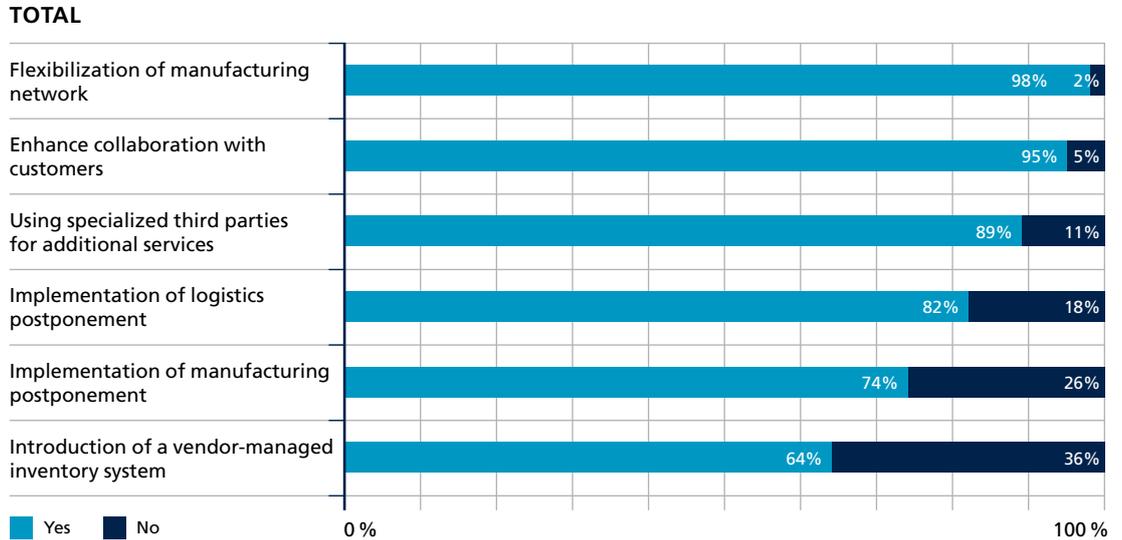
The fact that most companies have realized the relevance of differentiation is reflected in the considerable share of respondents actively dealing with the subject already. This is particularly true for manufacturing and logistics. In manufacturing, 46 percent of Innovators and 54 percent of Generics have initiated or planned to apply different strategies, while different processes are a topic for 46 percent of Innovators and 31 percent of Generics. In logistics, Generics mainly focus on different processes. 44 and 38 percent of Innovators and Generics, respectively, deal with different strategies, while different processes have been initiated or planned by 56 and 62 percent, respectively.

Sales and supply chain planning methods also show relatively high rates of planned or applied differentiation approaches. In this field, Innovators consider different sales strategies particularly relevant (59%). Organizational concepts and Commercial, on the other hand, received rather low attention by Innovators and Generics alike – which is rather surprising given the relatively long-lasting tradition of differentiation in the commercial field.

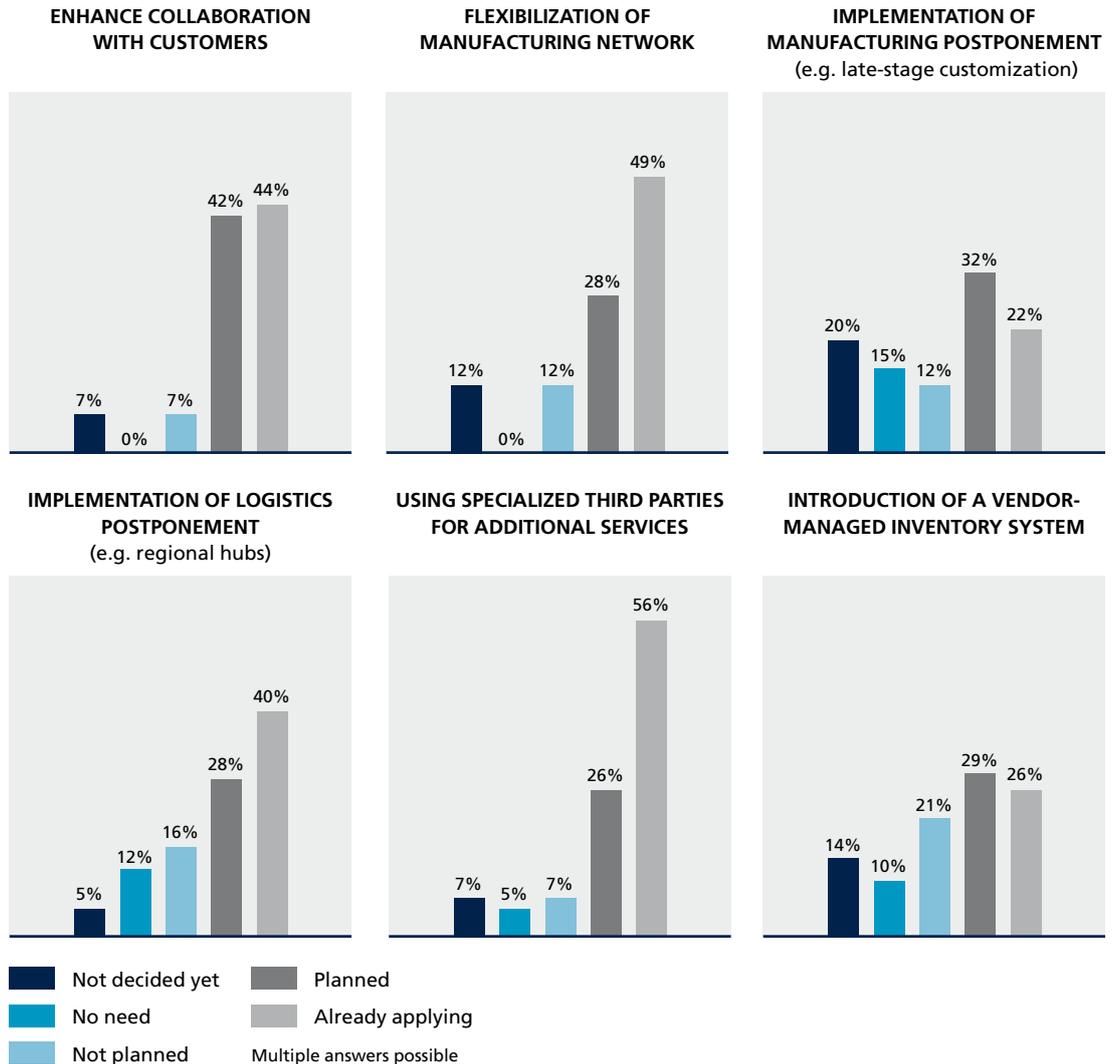
All in all, one can say that industry executives have noticed the need for differentiation, though a relatively big share of one fifth to one third have not yet decided on differentiation approaches in the various fields. Furthermore, the results clearly indicate that the topic has finally arrived in the pharmaceutical supply chain.

Question 12: Procedures to encounter increased supply chain complexity

Question 12.1:
Please rate the following procedures according to their power to encounter the increased complexity in your supply chain.



Question 12.2:
What is the status of the following procedures in your company?



As far as the various possible procedures to encounter increased supply chain complexity are concerned, enhancing collaboration with customers as well as a transition to flexible manufacturing networks are considered good procedures by the vast majority of respondents. This is not surprising when taking into account that both methods are planned or already applied by a majority of survey participants' companies.

Implementation of manufacturing postponement, on the other hand, is much more relevant for Innovators than for Generics (81 vs. 45%). This is mostly due to the nature of their products many of which are produced in lower volumes and require a higher degree of flexibility. The same applies to logistics postponement: Here, too, Innovators show much higher rates of approval than Generics (89 vs. 58%), which is also reflected in higher planning or application rates.

The method of using specialized third parties for additional services is considered a good procedure by three fourths of Generics' representatives and by even 93 percent of Innovators. This is not surprising, given that outsourcing plays a bigger role for the latter group. Opinions differ when it comes to vendor-managed inventory systems: While 64% of representatives of both business models advocate this procedure, over one third of participants do not consider it a good procedure. The relatively low rates of companies already applying this procedure might be due to this fact.



Selecting the right segmentation strategy depends on customer needs and cost-to-serve. Late-stage customization is a segmentation approach which helps to meet customer requirements and drive efficiencies.”

Ann L. Merchant · President · Schreiner MediPharm



CAMELOT Management Consultants

CAMELOT Management Consultants is a globally leading management consultancy specializing in the optimization of value and supply chains with focus on the chemical, pharmaceutical, consumer goods and discrete manufacturing industries. The company is part of the CAMELOT Group with 1,500 employees worldwide and headquarters in Mannheim, Germany. The integrated consulting approach and the close collaboration with renowned technology specialists within CAMELOT Group, guarantees project success along all consulting phases: from decision-making to the organizational and technical implementation.

As innovation leader for supply chain management and logistics, we continuously focus on the analysis of industry trends and the development of state-of-the-art methodologies to provide companies with pragmatic approaches and competitive strategies to successfully deal with current and future challenges. CAMELOT supports you in creating transparency along the entire supply chain as well as in designing and developing intelligent supply chain networks - based on our proven, structured approach, best practices and specialized solutions for network simulations. Our logistics experts guarantee efficient and robust solutions and will support you with design and implementation.

Some of the subjects on which our industry experts can offer you advice:

- Strategic consulting and business model innovation
- Best practices for business transformation and reorganization
- Integrated planning and management across the entire value chain
- Lean SCM, lean operations, and lean planning
- End-to-end process optimization
- Logistics strategies (such as out- and insourcing) and optimizing logistics networks
- Sourcing and procurement
- Enterprise information management





Find out more about our PHARMA Management Radar survey:

www.camelot-mc.com/en/pharma-management-radar/

Order free copies of Camelot's studies on the global pharmaceutical industry at: www.camelot-mc.com/insights

Your contact for further information:

Andreas Gmür · Partner, Head of Logistics Practice · agm@camelot-mc.com
Peter Holland · Partner, Head of Pharma Value Chain · phol@camelot-mc.com

Europe

CAMELOT
Management Consultants AG
Theodor-Heuss-Anlage 12
68165 Mannheim
Germany
Phone +49 621 86298-0

www.camelot-mc.com

US

CAMELOT
Management Consultants Inc.
100 W. Sixth St. · Suite 103
Media PA 19063
USA
Phone +1 610 616 3868

www.camelot-mc.com/us

Middle East

CAMELOT
Management Consultants Middle East DMCC
Jumeirah Lakes Towers
Cluster O · Reef Tower · 30th Floor
P.O. Box 5003333
Dubai · United Arab Emirates
Phone +971 4 350 7441

www.camelot-mc.com/ae



► Find out more...

Value Chain Excellence. Strategy to Results.

