



## Pharmaceutical companies rely on postponement solutions

Increasing competition and cost pressures caused by political structural reforms are keeping the health market in constant flux. To continue on a successful course despite declining margins and hard-fought market shares, it is necessary to have flexible new approaches that simultaneously reduce costs. For this reason, more and more pharmaceutical companies are relying on logistics services which have already proven their value in other industries.

Andreas Olpeter, Sales Manager at arvato services healthcare, can confirm this trend. "Our most recent experience indicates that postponement services are increasingly in demand. From our customers' perspective these prove to be particularly effective in increasing efficiency."

In logistics, postponement refers to a delaying strategy and generally means delaying a decision in order to make use of the better informational status that comes with a shorter forecasting period. In practice, it means that the medications initially packed by pharmaceutical manufacturers are stored in a neutral manner in central warehouses. The products receive their final packaging by a logistics service provider and are supplied with the appropriate labels, package enclosures and directions for use only after an order has been received.

"Our customers appreciate the flexibility offered by our postponement solutions," reports Julia Grundmeier, who provides customer service to US biotech companies in her capacity as a customer service manager at arvato services healthcare. "Not only country-specific,

but also customer-specific requirements and the most recent information on medications can be taken into account simply and easily."

Indeed, postponement offers the pharmaceutical industry many advantages. Particularly for pharmaceutical companies that are active throughout Europe, this logistics service is an option for warehousing and distributing their products in an economical way. Storage is normally in a centrally located site. The just-in-time final packaging and related specification reduces the number of packaging variants that need to be warehoused, for this reason: The logistics service provider does not provide the country-specific packaging until there is actually a demand for it. The available storage capacity can be used in a more efficient manner, and excess or insufficient inventory of different packaging variations for the individual countries can be avoided. The decisive advantage for the manufacturer comes from the increased flexibility that ultimately allows the manufacturer to preserve or even improve the reliability of supplies with significantly lower inventory.

For production at the manufacturer's, this also means that only one neutral primary package is prepared instead of 10 to 20 country-specific packages. Thus, the manufacturer achieves a larger production volume and can take deliberate advantage of the economies of scale.

As a full-service provider for the pharmaceutical and health care industry, arvato services healthcare has government permits for the packaging, repackaging, labeling and release of medications. Thus, the company guarantees GMP-compliant production of pharmaceuticals

in accordance with the highest safety standards in a strictly isolated area with monitored temperature and controlled access. Validated processes and specially trained personnel guarantee that processes will be correctly performed and documented at all times.



*In the case of postponement, GMP-compliant documentation and additional description of the entire process in SAP ensure the greatest possible security.*

## Quality and safety have the highest priority

The thermolability of many pharmaceutical products places special demands on the supply chain. The task of quality management is to ensure that these requirements are met at all times and in all places. Martine François and Carsten Thiemt provide insights into quality management at arvato services healthcare.

**Mr. Thiemt, you have only been in the company for a short time. What was your first impression of quality consciousness at arvato services healthcare?**

**Carsten Thiemt:** Employees positively live by the GDP guidelines. Effective training concepts appreciably contribute to this. Of course I am pleased that my colleagues are conscious of the great responsibility involved in dealing with vitally important medicines. Since I had previously been employed in the pharmaceutical industry, I know how important it is to comply with quality standards. Drug companies have a great responsibility toward patients and it is good to know that there are service providers who share this responsibility without reservation.

**What else distinguishes quality management in the company?**

**Martine François:** We have a large number of very different products. Acting on behalf of our customers, we distribute pharmaceutical preparations, medical products and even hazardous materials. For each product area we have specially trained professionals all over Europe, along with standardized quality assurance systems that we developed ourselves. Of course, our customers also profit from this broad expertise and in-depth experience of ours. Each customer is guaranteed the exact quality standards required for the individual product.

There is no time-consuming implementation stage because we can draw on duly qualified, established quality assurance processes.

**What does that mean, exactly?**

**Carsten Thiemt:** Recently, for example, we received an inquiry regarding shipment of an expensive multiple sclerosis product to India. Our expertise in cold chain management helps us process such inquiries quickly. We know what to watch out for and use packing materials and coolers that are 100% appropriate for this kind of shipment. Through our selection of the right packaging we can guarantee that the product will be at the right temperature for 72 hours, no matter what happens during the transport. Elaborate tracking and tracing software solutions document the entire process and guarantee maximum transparency and the greatest possibly security for our customers.

**Martine François:** In addition, we perform internal audits at regular intervals and analyze our processes in detail. That is the only way we can ensure that these processes function smoothly at all times. Quality and safety simply have the highest priority.

### Introductions

Since June of this year, **Carsten Thiemt** has been working for arvato services healthcare as the Quality Assurance Manager and as a Qualified Person pursuant to 2001/83 EG at the Harsewinkel site. Before his employment at arvato services healthcare, Carsten Thiemt, a licensed pharmacist, worked in management positions in the quality control and assurance departments of pharmaceutical companies, most recently at Astra Zeneca.



In her capacity as Director of Quality and Process Management & Development, **Martine François** is responsible for quality management at our locations in France and Belgium. After her studies in logistics, Martine François worked in the IVD industry for 12 years. In 1999 she joined arvato services healthcare.



**Jason Thatcher** is the responsible Quality Assurance Manager at arvato services healthcare in the UK. After obtaining his BTEC National Diploma in Science and Higher National Certificate in Applied Biology, Jason Thatcher joined GE Healthcare in their Quality Control laboratory of radioactively labelled diagnostic products where his work focused on Quality Control and Quality Assurance with particular emphasis in GMP standards and ISO9001:2000 Quality Management System.





## Teleflex Medical expands its business with arvato services healthcare

Starting in September 2008, arvato services healthcare will be the exclusive logistics partner of Arrow International in Great Britain and Ireland.

The company was acquired by Teleflex Medical in October 2007. This makes Arrow International the third business division within the Teleflex Medical Group, after Rüschi and Hudson RCI, to place its trust in arvato services healthcare.

The services include the entire logistics process from inbound transport to warehousing to delivery to the individual National Health Services warehouses in Great Britain and Ireland.

All process data is exchanged several times a day through a specially developed interface that links the warehouse management systems of arvato services healthcare and Teleflex Medical. This direct data exchange makes it possible for arvato services healthcare to react to all inquiries flexibly and in the quickest possible manner, thereby optimizing the quality in deliveries of orders.

The cooperation with Arrow International and the assumption of all logistics allows arvato services healthcare to further expand its leading market position in the area of supply chain solutions for the medical products industry. "Our partnership with Teleflex Medical has existed for over 10 years. We're pleased that our work has created such a basis of trust that Teleflex

Medical wants to continue growing along with us," notes Bernd Robke, who is in charge of the affairs of arvato services healthcare in Great Britain and Ireland.

Teleflex Medical is one of the world's leading manufacturers of medical products. The Arrow International division develops and manufactures catheter products for one-time use. These are primarily used for access to the main circulatory system, in order to administer fluids, medications, and blood preparations. They are also used for monitoring patients, for diagnosis and for treatment of pain. Market analyses confirm that Arrow International is the global market leader in delivery of central venous catheters.

## arvato services healthcare develops a universal SAP interface solution

In collaboration with arvato systems, arvato services healthcare at the Monheim site is developing a universal SAP interface solution that offers a potential for savings on the customer's end.

This custom-developed software allows SAP-based IT systems to be connected quickly and economically to the IT system that arvato services healthcare has specifically tailored to the in vitro diagnostics (IVD) industry.

An unbroken connection has to be guaranteed for the IT systems involved, so that business processes can be precisely described as part of a service. However, in addition to taking a

large amount of time, this normally results in enormous setup expenses.

"With the new SAP interface software, we systematically followed customer requests for a quick and cost-efficient solution," explains Sébastien Rey, the project manager in charge. "The product we have developed offers the possibility of integrating our customers' SAP-based systems in our IT environment in a cost-efficient manner and in the shortest possible time. There is no need to dispense with existing standards and functionalities."

The software is based on SAP's standard export formats (i-docs). These SAP i-docs are first

compiled by a special transformation so that the data can be entered. The data can then be imported to and exported from corresponding data fields in a system-specific way. This guarantees reliable data exchange.

"This newly developed product allows us to provide our customers with the time and money savings that they want," according to André Sieberling, Manager of the Monheim facility. "We are pleased that we can provide our customers with this software solution."



## Next-generation distribution of pharmaceuticals

The distribution of pharmaceuticals is on the verge of a major change. In Great Britain well-known companies have already tossed out the traditional distribution model and have converted the distribution of their entire product spectrum to direct distribution in order to be closer to their customers.

As a full-service provider, for years we have been developing plans for manufacturers of biotechnological preparations for delivery of their products to domestic and foreign pharmacies. We use this expertise and the existing infrastructure to bundle the domestic direct business with pharmacies in a targeted way – to the advantage of manufacturers and pharmacies.

Our new multi-user concept guarantees for our customers that there will be deliveries to pharmacies twice a day. In addition to hand-

ling the logistics, the integrated plan envisions multi-channel acceptance of orders as well as management of accounts receivable. All services along the order-to-cash cycle are described in this plan.

The multiple-client solution that has been developed makes it possible for participating pharmaceutical companies to have direct access to the pharmacies, as well to supply the pharmacy market with optimally reduced costs and optimal service. The goods remain the property of the pharmaceutical company.

Listen to an interesting technical presentation on this subject by Dr. Thorsten Winkelmann, President of arvato services healthcare, and visit us at our booth at the IQPC "Next Generation Pharma Distribution" conference in Wiesbaden's Hotel Dorint Pallas from October 6-8, 2008.



*Next Generation Pharma Distribution  
October 6-8, 2008 / Wiesbaden, Germany*

### Trade fairs & Congresses

#### **IQPC End-to-End Supply Chain**

October 21 – 22, 2008 / London, UK

In today's highly volatile market for pharmaceutical products, companies with an agile and efficient supply chain have a clear competitive advantage. The entire flow of goods must be perfectly coordinated, from production all the way to the customer, with the latest market demands and developments constantly feeding into the process. Leading European service provider arvato services healthcare works together with its partners and customers to develop high-quality integrated and innovative solutions with the end-customers, the patients, in mind.

To find out more about these solutions, visit our experts at the arvato services healthcare stand at the IQPC Congress. The event will be held at the Thistle Marble Arch Hotel in London.

#### **PDA Pharmaceutical Cold Chain Management**

November 4 – 5, 2008 / Berlin, Germany

The focus of this year's PDA Conference is temperature-sensitive pharmaceuticals and the demands this particular segment places on the supply chain. arvato services healthcare develops sophisticated solutions to assure the integrity and safety of temperature-controlled products during storage and transport. With arvato's very own seamless real-time temperature tracking system, its customers can count on transparency and safety.

Our stand will be staffed with a team ready to tell you more about the cold chain management solutions from arvato services healthcare.

#### **Journées Internationales de Biologie (JIB)**

November 5 – 7, 2008 / Paris, France

The Journées Internationales de Biologie (JIB), an annual conference and trade fair held in Paris and sponsored by the French Biologists' Union, has become one of the most important events for the industry within Europe. Last year's JIB drew more than 9,400 visitors from over 60 countries. The event's organisers are once again expecting record numbers to visit them in the French capital. Like last year, arvato services healthcare will have a booth in the exhibition area. This year's stand will highlight the company's distribution solutions that offer maximum flexibility and minimal response times in highly dynamic markets such as in vitro diagnostics.

The arvato services healthcare team is looking forward to seeing you in Paris (Stand D32; Hall Pierre & Marie Curie)!

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**arvato services healthcare** is an internationally active outsourcing service provider specializing in the pharmaceutical and healthcare industry. The company develops and implements integrated supply chain solutions tailored to the needs of its customers. Its services include all aspects of the order-to-cash cycle. Customer relationship management rounds off its portfolio. With its sound, in-depth knowledge of the industry, and great competence in consultation and implementation, arvato

services healthcare helps its customers optimize the distribution of their products. Numerous facilities in Europe are available for the implementation of effective solutions (such as direct-to-pharmacy or direct-to-patient). These facilities have the wholesale trade license, the manufacturing license and the certifications pursuant to EN ISO 9001:2000, GMP, GDP and Sarbanes-Oxley, in accordance with the respective requirements.

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33428 Harsewinkel / Germany

**Responsible for content:** Dr. Thorsten Winkelmann

**Editorial:** Sonja Groß  
Phone: +49 (0)5241 80-41897  
E-mail: [contact@arvato-services-healthcare.com](mailto:contact@arvato-services-healthcare.com)

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#### GERMANY / AUSTRIA / SWITZERLAND

Andreas Olpeter  
Schwalbacher Straße 70  
D-65760 Eschborn  
Phone: +49 (0)6196 7755836  
E-mail: [andreas.olpeter@bertelsmann.de](mailto:andreas.olpeter@bertelsmann.de)

Sebastian Ruckes  
Am Kielsgraben 10  
D-40789 Monheim  
Phone: +49 (0)2173 3990-1085  
E-mail: [sebastian.ruckes@bertelsmann.de](mailto:sebastian.ruckes@bertelsmann.de)

#### FRANCE / BENELUX

Nicolas Virmoux  
Rue de la Maison Rouge  
ZA Pariest  
F-77185 Lognes  
Phone: +33 1 64118373  
E-mail: [nicolas.virmoux@arvato-services-healthcare.com](mailto:nicolas.virmoux@arvato-services-healthcare.com)

#### UK

Dawn Stewart  
Stirling Road, Cressex Business Park  
GB-HP 12 3ST High Wycombe,  
Buckinghamshire  
Phone: +44 044 1494444933  
E-mail: [dawn.stewart@bertelsmann.de](mailto:dawn.stewart@bertelsmann.de)

[www.arvato-services-healthcare.com](http://www.arvato-services-healthcare.com)

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## Anton Hübner selects arvato services healthcare as its distribution partner

Starting in July 2008, arvato services healthcare took over the final distribution of all products in the product line of Anton Hübner GmbH & Co. KG.

Every day, as a service for more than 1700 Reformhaus shops (stores offering health products) in Germany, several hundred packages are prepared for shipment. Thus, for the first time ever, Anton Hübner is delivering all of its products directly to German Reformhaus shops by means of a logistics service provider.

The distribution solution developed by arvato services healthcare allows Anton Hübner not only to have direct access to the Reformhaus shops, but also to supply the market with optimal cost efficiency and service.

Direct distribution allows monitoring of the entire distribution chain and lets Anton Hübner influence the purchase process to a greater degree. Use of the distribution structures provided by arvato services healthcare optimally reduces both costs and response times.

Within 48 hours after orders are received, arvato services healthcare delivers the orders to the Reformhaus shops on behalf of Anton Hübner. In future, it will be possible to do this in as few as 24 hours, making it possible to improve both delivery service and the quality of the customer orders even further.

Anton Hübner is Germany's second largest producer of health products sold exclusively in Reformhaus shops. The product line consists of high-quality natural medicines, nutritional supplements, medical products, and natural body care products. The company is represented in over 30 countries all over the world.

## Letter from the Editor

*In this edition of healthcare news we would like to present some additional new customers and innovative solutions to you – and of course, also the members of staff behind these projects.*



*We develop our solutions in close collaboration with our customers. As an industry specialist, we not only keep an eye on your tasks, but also know the needs of your customers and take them into consideration.*

*We develop, implement and operate solutions together, so that you are always one step ahead of the competition. You can focus your complete attention on marketing and selling your products, knowing that arvato services healthcare is providing reliable delivery.*

*Yours sincerely,*



Dr. Thorsten Winkelmann  
President of arvato services healthcare