



UPS Healthcare

# SUPPLY CHAIN VITAL SIGNS

2022 Pharmaceutical Industry Study  
Executive Summary



# State of the industry

The pharma industry took center stage during the coronavirus pandemic and looks to stay in the forefront for the foreseeable future.



2021 PHARMACEUTICAL SALES (IN BILLIONS) TOTAL = \$1,460.6



**\$493.7**

North America



**\$332.6**

Western Europe



**\$92.5**

Central and Eastern Europe



**\$76.7**

Latin America



**\$445.5**

Asia and Australia



**\$19.6**

Middle East and Africa

# Specialty pharma

is a massive, rapidly growing segment with extreme logistics needs

**48%**

Global pharma sales from biologic drugs<sup>1</sup>

**\$560B**

Est. biologic drug market by 2025<sup>2</sup>

**55%**

of drugs in the pipeline are biologic<sup>3</sup>

**\$19B**

Est. biopharma logistics market by 2023 (Expected margin of 25%)<sup>4</sup>

**\$10K-\$30K**

Avg. biologics cost per injection<sup>5</sup>  
(So maintaining stability and visibility of the package is crucial)



Biologics are handled as cold chain and generate a 2-4x premium of spend

SOURCES:

- <sup>1</sup> <https://www.biopharmatrend.com>
- <sup>2</sup> <https://clarivate.com/slp-market-sizing>
- <sup>3</sup> <https://www.phrma.org>
- <sup>4</sup> <https://www.mordorintelligence.com/>
- <sup>5</sup> <https://www.statista.com>

# About the surveys

The UPS Healthcare Supply Chain Vital Signs survey is intended to provide the healthcare industry with insights into supply chain issues impacting pharmaceutical companies, medical device manufacturers and laboratories across the United States, Europe, Asia-Pacific and Latin America.

## Timing

November 2021 to February 2022

Conducted independently by both Worldwide Business Research Insights (WBR), and their LogiPharma division.

## Methodology

Quantitative (November–December 2021, WBR Insights)

600 director level+ healthcare supply chain and logistics professionals across North America, Europe, the Middle East, Africa and the Asia Pacific region.

Quantitative (January–February 2022, LogiPharma)

100 Directors of Supply Chain Management and similar titles across Europe and North America, conducted by appointment via telephone.

Qualitative (November–December 2021, WBR Insights)

10 in-depth interviews with executive-level, industry leading healthcare and logistics professionals.  
Company size: annual sales of \$50 million+

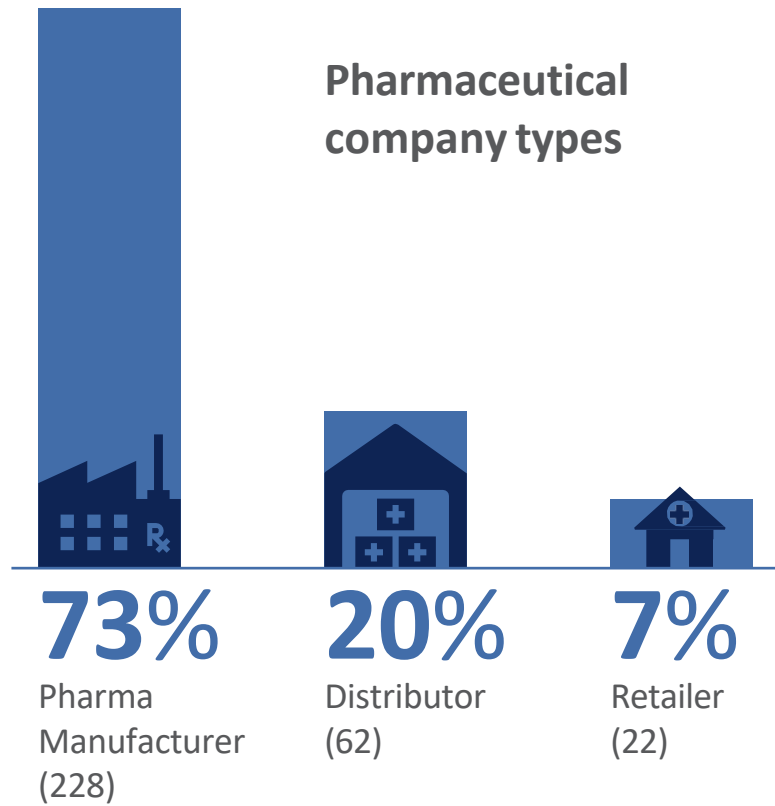
## About this summary

Subset of 312 pharmaceutical executives and managers—from the WBR Insights quantitative group—with purchasing, supply chain or materials management responsibilities.

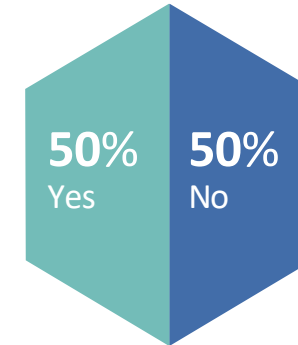


# About the respondents

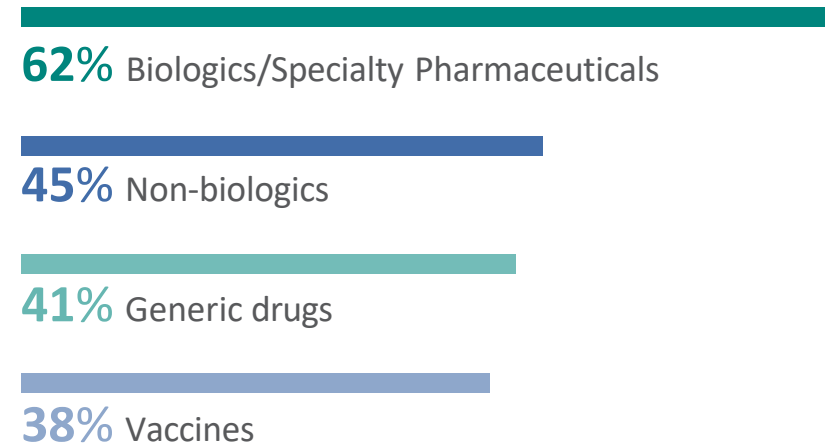
WBR INSIGHTS



Manufacture APIs

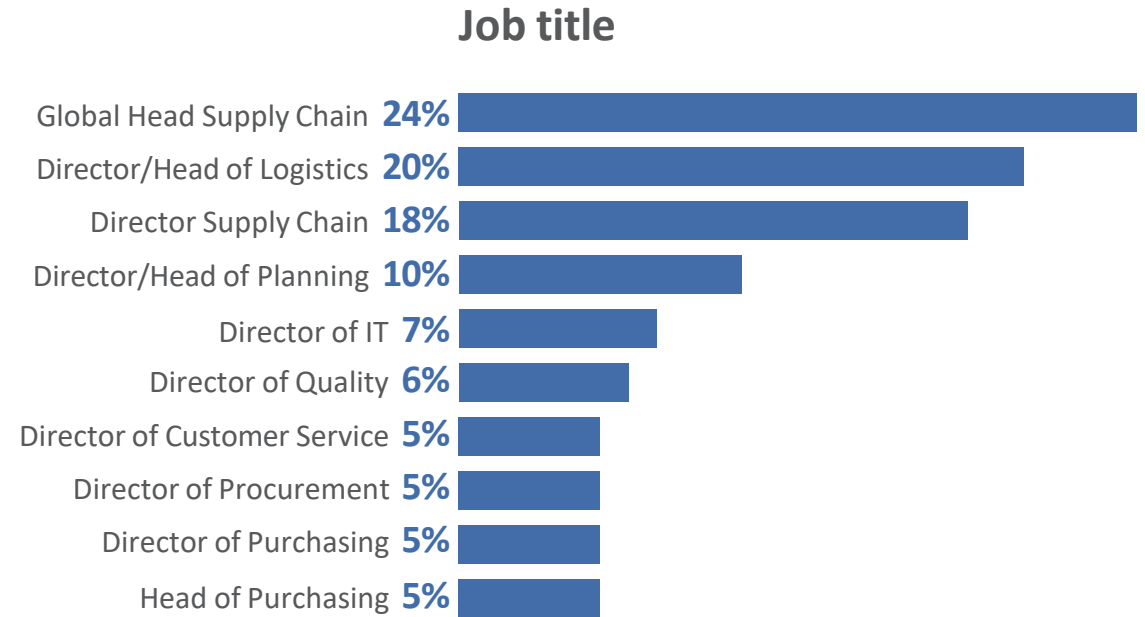
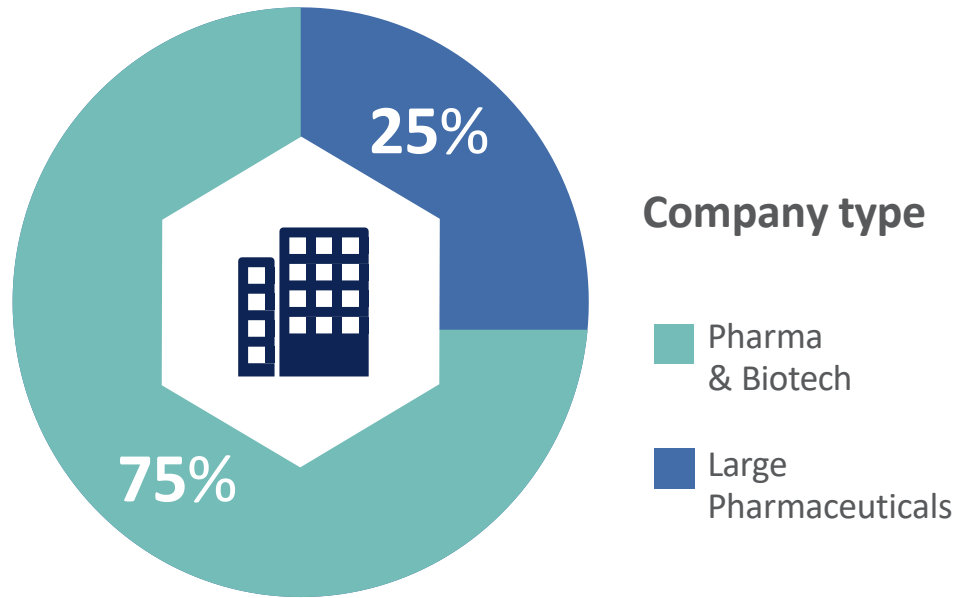


### Types of pharmaceutical products manufactured



# About the respondents

LOGIPHARMA RESEARCH



## Geography



25% Switzerland  
20% Germany  
20% United Kingdom

10% Nordics  
5% United States & Canada  
5% France

5% Australia  
5% Netherlands  
5% Belgium

# OUR FINDINGS

PRIORITIES AND CHALLENGES | WBR Insights Research

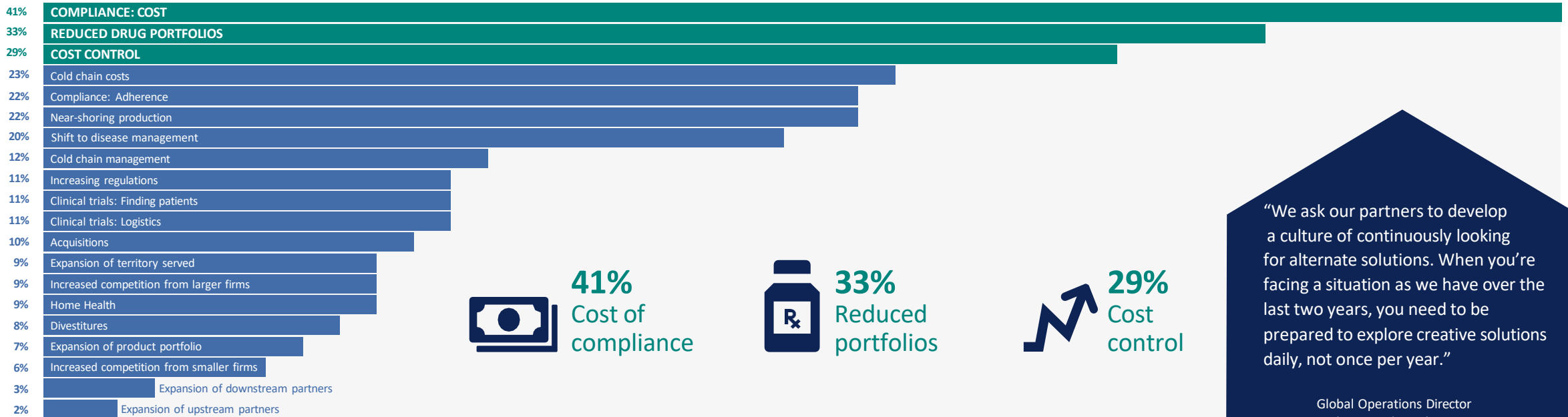


## TOP SHORT-TERM STRATEGIC PRIORITIES

Q.

Among the following options, which are the top three strategic priorities to which you are paying the most attention for the next 1-2 years?

n=312



“We ask our partners to develop a culture of continuously looking for alternate solutions. When you’re facing a situation as we have over the last two years, you need to be prepared to explore creative solutions daily, not once per year.”

Global Operations Director  
Multinational BioPharma Company  
United Kingdom

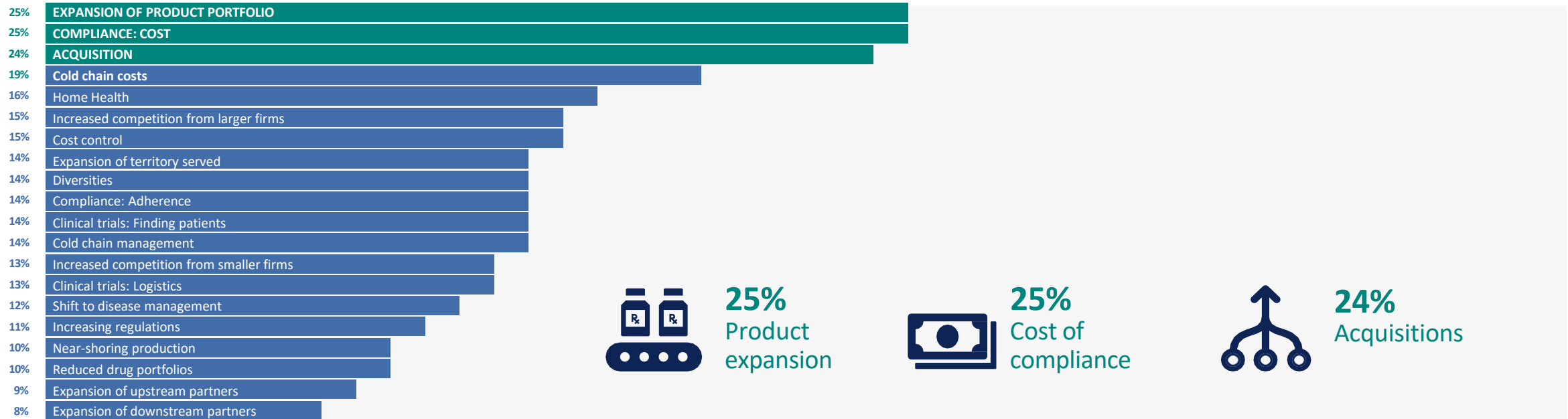


TOP LONG-TERM STRATEGIC PRIORITIES

Q.

Among the following options, which are the top three strategic priorities to which you are paying the most attention for the next 5-10 years?

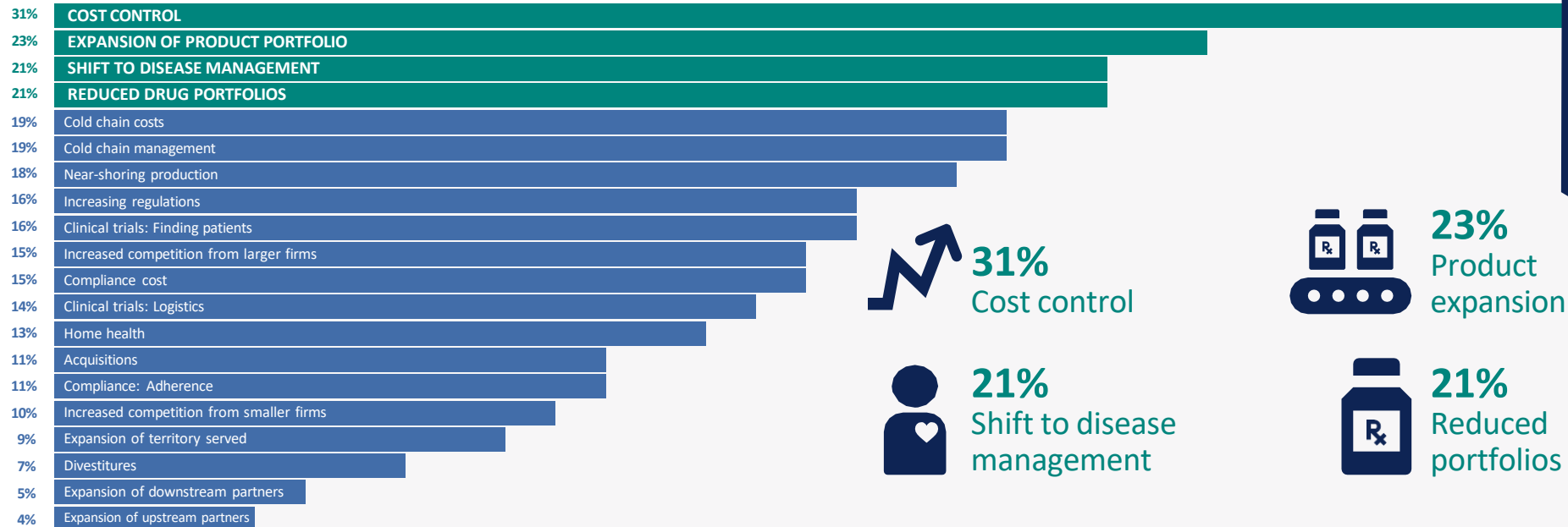
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## TOP SHORT-TERM CHALLENGES

Q.

Among the following options, which are the top three challenges to which you are paying the most attention for the next 1-2 years?



**31%**  
Cost control

**21%**  
Shift to disease management

**23%**  
Product expansion

**21%**  
Reduced portfolios

“The buzzword these days is resiliency. You must be able to deal with adverse environments and adverse impacts on the business. How can you continue to be reliable as a product manufacturer and innovator, and how can you be agile and continue to drive growth?”

Head of Value Chain Analytics & Insights  
Global Pharma CMO  
United States

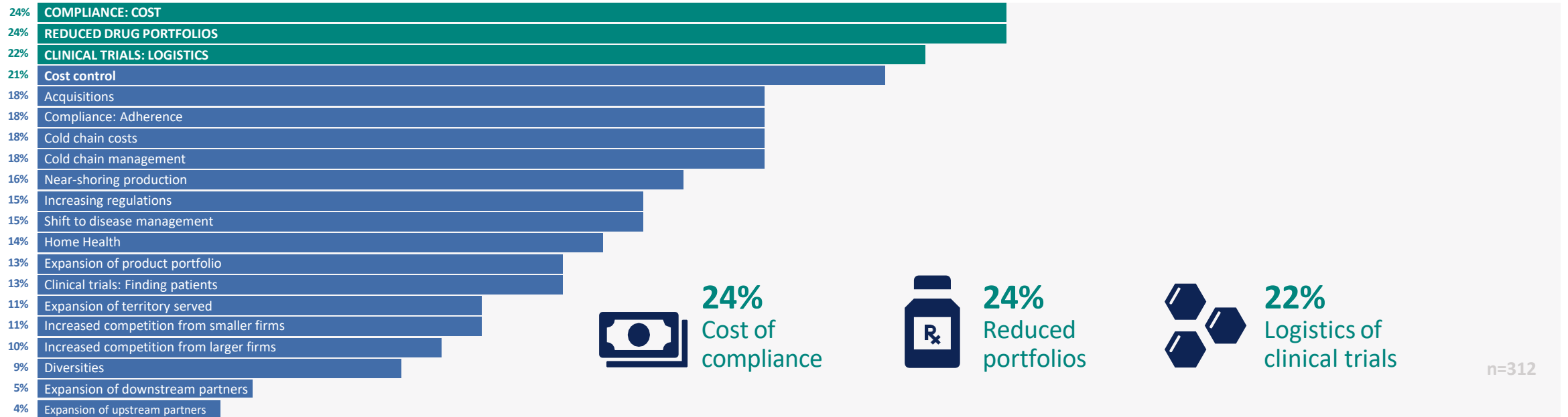
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TOP LONG-TERM CHALLENGES

Q.

Among the following options, which are the top three challenges to which you are paying the most attention for the next 5-10 years?

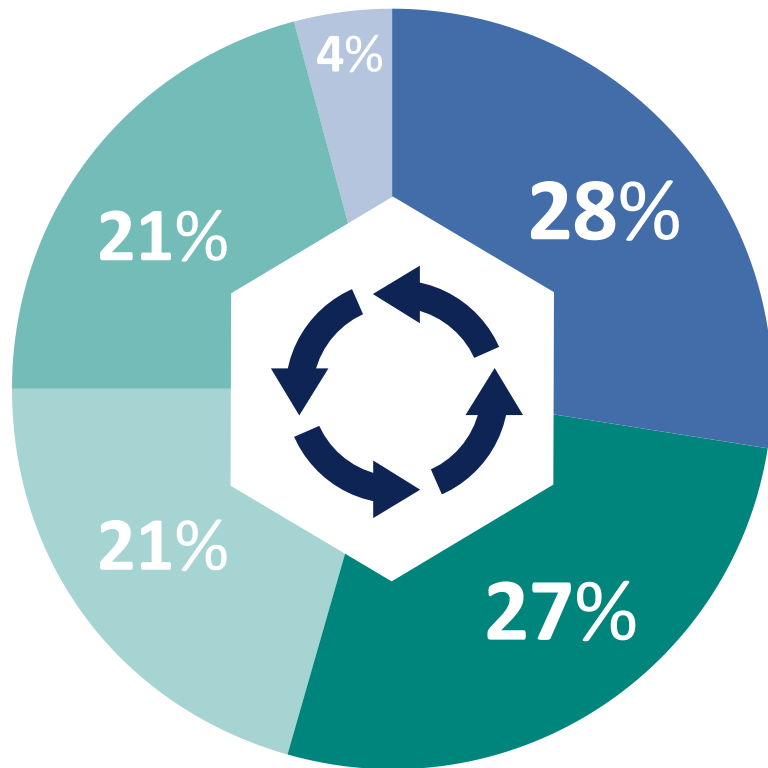


# OUR FINDINGS

SUPPLY CHAIN INSIGHTS | LogiPharma Research

Q.

How connected is your company's end-to-end supply chain?



- Enterprise + 3PL Network
- Across entire enterprise
- Enterprise + 3PI Network + Key CMOs and/or Suppliers
- Enterprise + 3PI Network + Key CMOs and/or Suppliers + Key Customers
- Internal Manufacturing Network Only

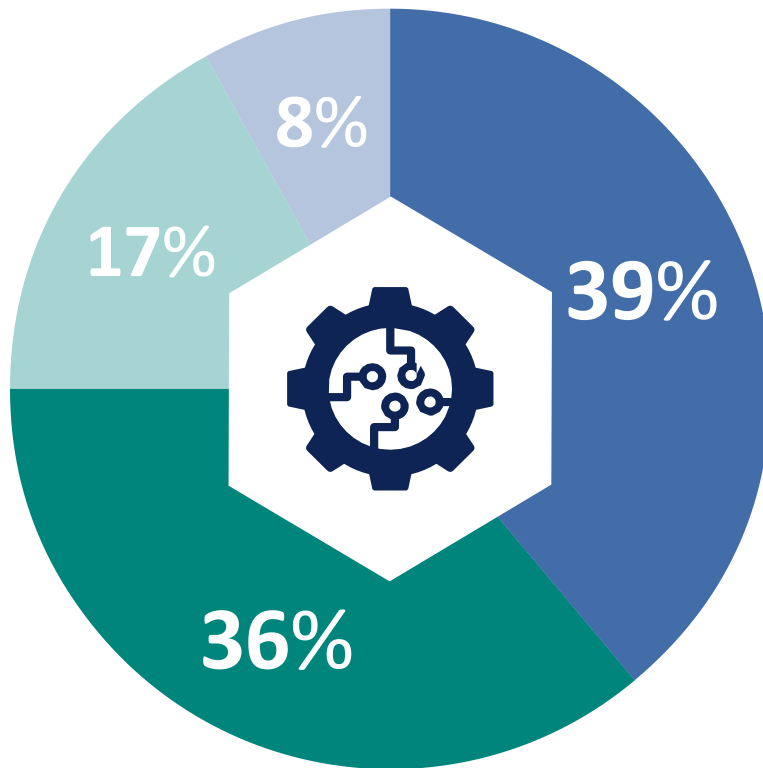
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“In terms of trucks and the workforce, availability is probably the biggest logistics challenge facing the industry today. It used to be that if you planned ahead, you could get a plane or a truck. Now, something that used to only require a week takes a month—it all goes back to adding on to your lead times.”

Sr. Director of Supply Chain & Logistics  
BioPharma Company  
United States

Q.

What do you believe will drive the most benefit in supply chains over the next five years?



- Full end-to-end planning capabilities and sales and operations planning
- Machine learning and artificial intelligence for predictive modelling
- Industry 4.0 i.e., full digitalization of manufacturing and supply chain
- Machine learning and artificial intelligence for prescriptive decision-making

n=100

“We’d like to move toward real-time, machine-to-machine visibility embedded by risk management and predictive analytics.”

Global Operations Director  
Multinational BioPharma Company  
United Kingdom

Q.

What is your primary challenge in building the supply chain of the future?



42% Identifying the right technology mix in an environment of many choices

33% Multiple ERP platforms and/or the CMO network

21% Visibility and clarity on the maturity roadmap

4% Attracting and retaining the right talent

n=100

“Digital capabilities are becoming more important. We want to know how connected the 3PL is throughout the supply chain, what technology ecosystem they use, and what sensors they will use to give us a better line of sight into what’s happening with our product.”

Head of Value Chain Analytics & Insights  
Global Pharma CMO  
United States



# OUR FINDINGS

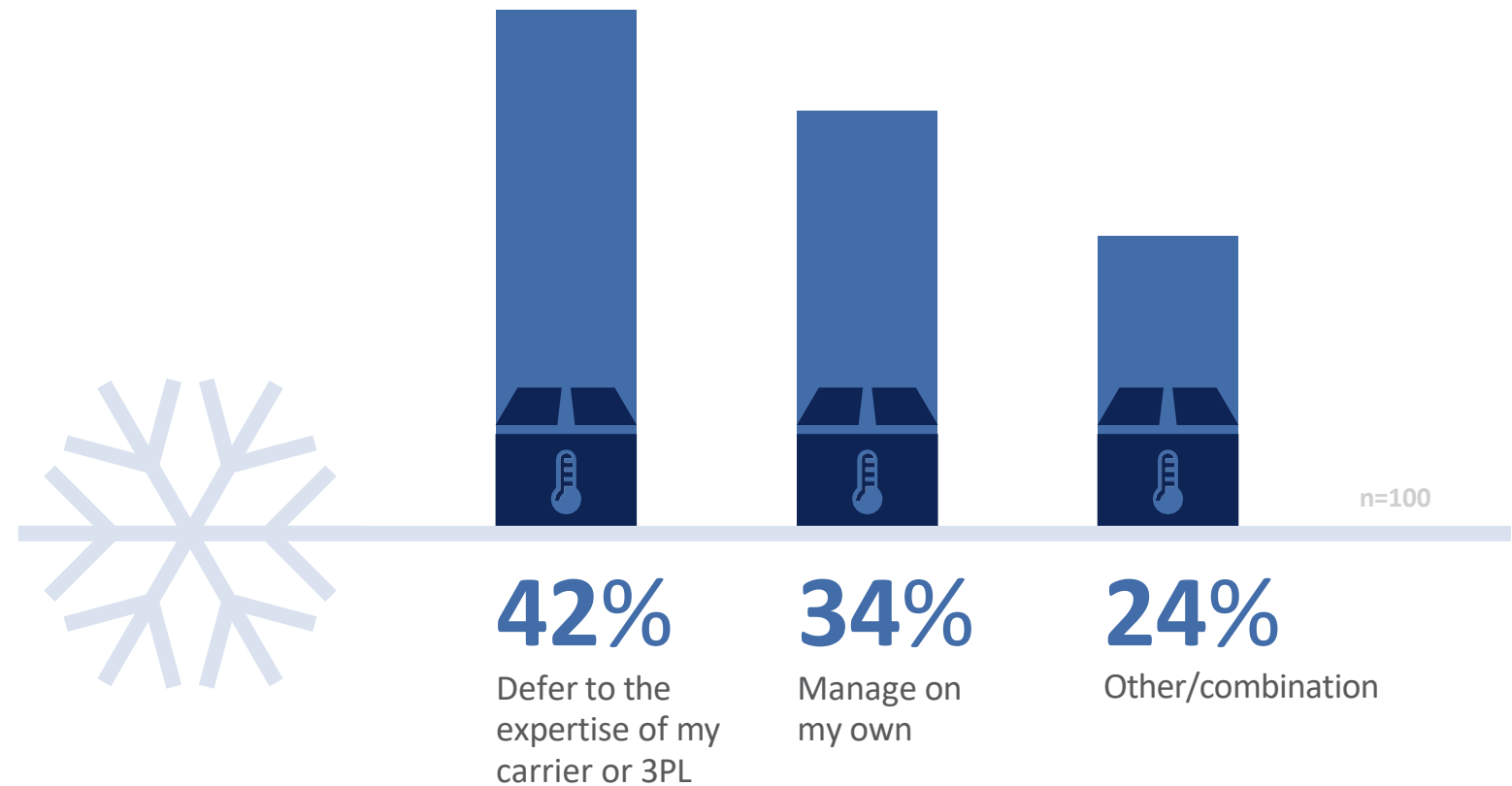
COLD CHAIN SOLUTIONS, VISIBILITY & SOURCING | LogiPharma Research





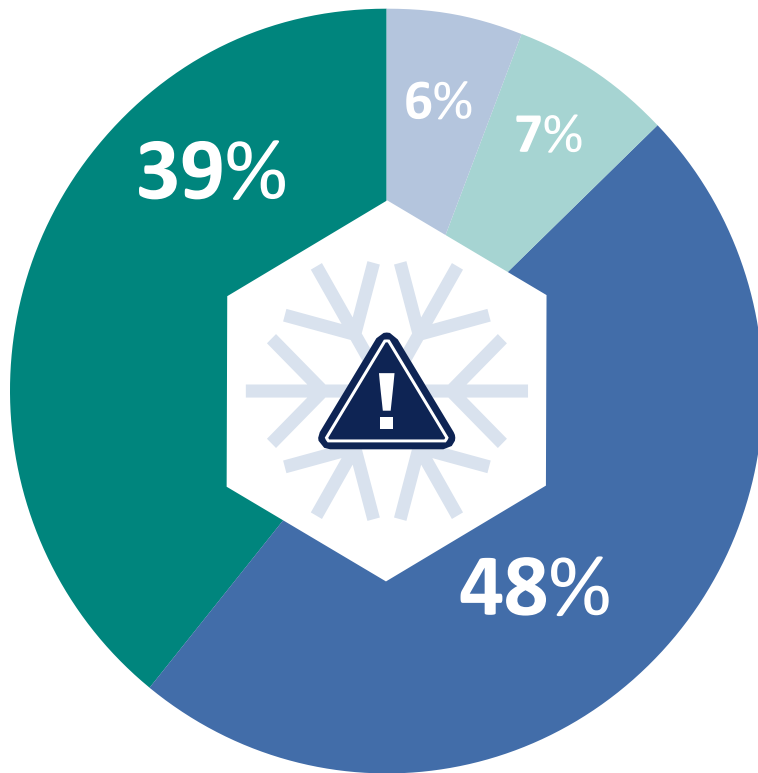
Q.

Do you prefer to choose and manage your temperature monitoring technology providers yourself (selection, procurement, inventory management, visibility platform usage), or would you prefer your carrier or 3PL manage it?



Q.

What type of action or next steps would you expect to be able to take when seeing temperature excursions or exception events in a visibility platform?



- Connect with end customer/consignee to alert them of issues with the shipment
- Alerts/notifications sent to both the shipper and end customer/consignee
- Connect with carrier to discuss issue with shipment
- Ability to confirm or edit SOPs for next steps

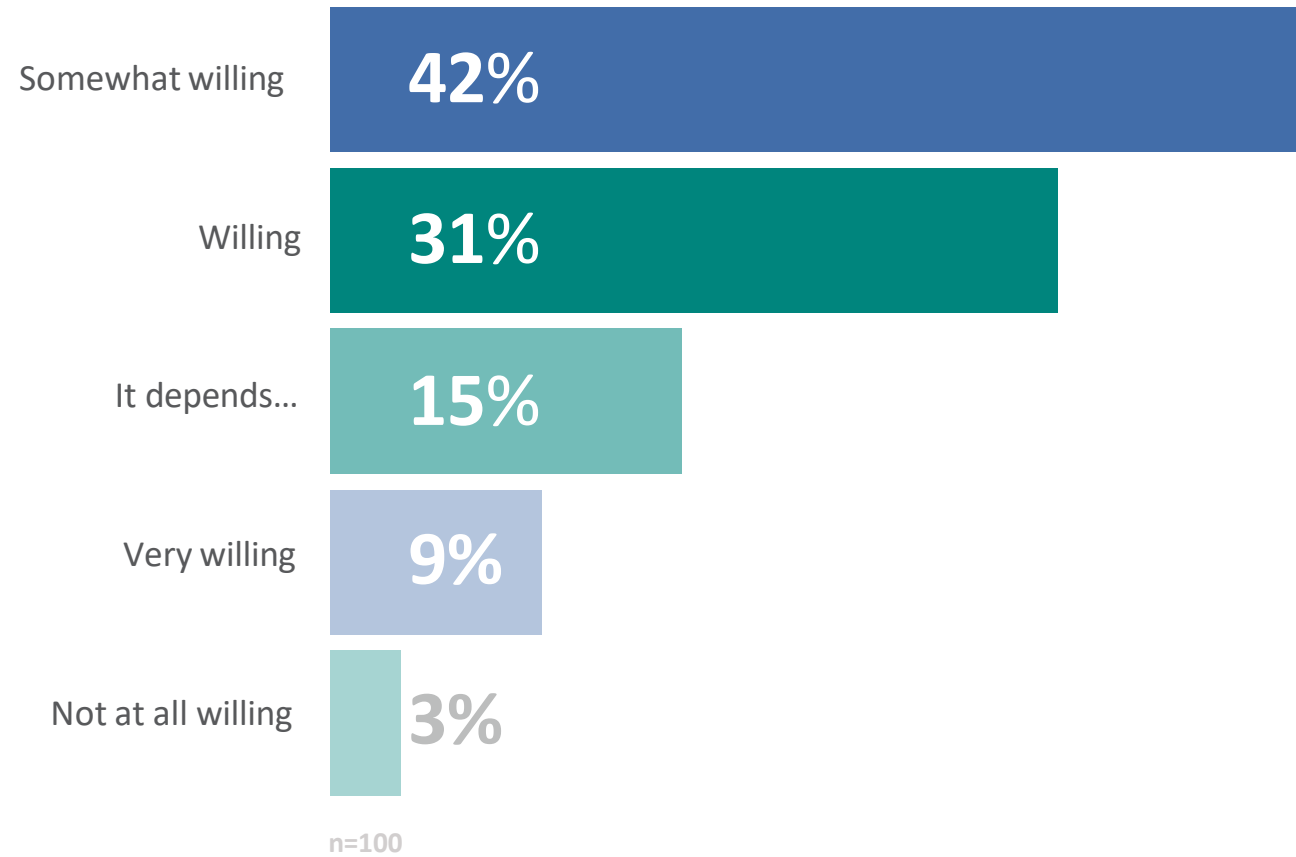
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“Supply chain solutions like live-tracking and state-monitoring are quickly becoming requirements. What used to be premium services are now table-stakes. It’s no longer a question of whether you’ll get an update to say that your label has been printed. You now know that your product is traveling at 40 miles per hour on a specific freeway, that the temperature rose by three degrees before the excursion, and that your product was packed upside-down.”

VP, Global CMO  
United States

Q.

How willing are you to pay for the cost of real-time temperature monitoring and GPS location?

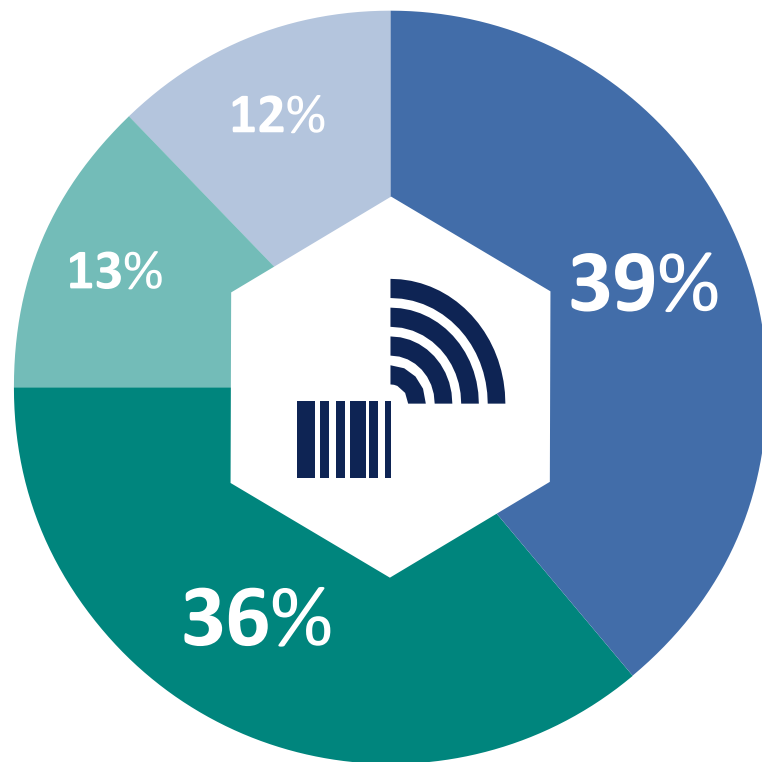


“It’s my obligation and responsibility to ensure that whatever I’m shipping is at a temperature that will keep the product safe all the way through the length of the chain.”

Executive VP  
Global Specialty Pharma Company  
Japan

Q.

Would your organization consider a track-and-trace solution for the management of shipment deviations?

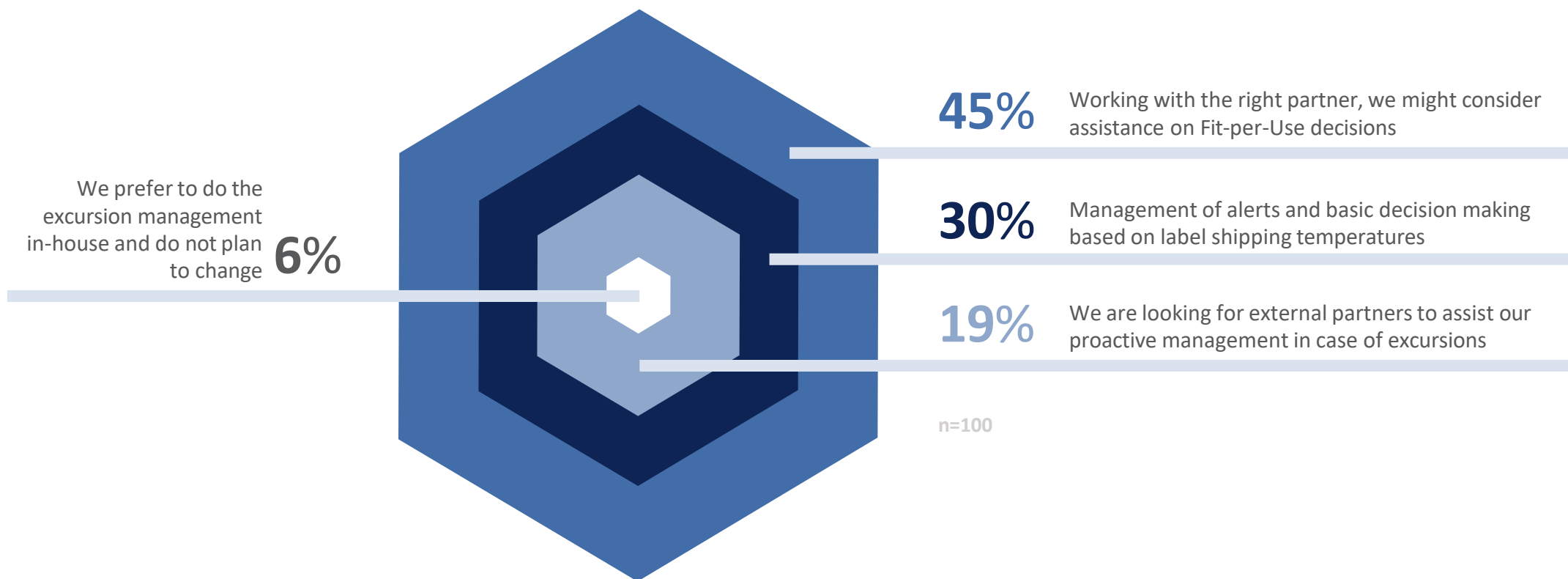


- We manage shipments internally but would consider a visibility solution that helps provide better service
- We manage shipments internally and are happy with the team's results
- real-time visibility solution is one of our top initiatives in 2022
- We already have a solution

n=100

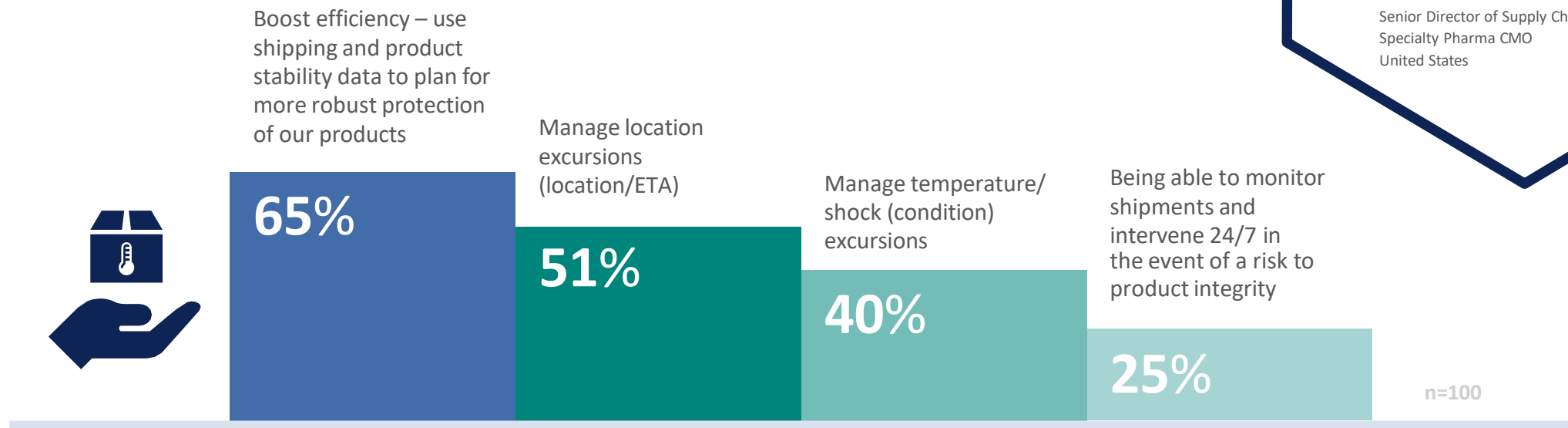
Q.

In terms of excursion management, what areas would your organization consider outsourcing?



Q.

What are the major concerns your organization has, regarding product integrity, that outsourcing could help?



“If I were to work with an organization that could give me easy access, maybe push information to me, it would be a much less painful process. I just want to be able to go into the system, find information, then try to make sense of all the pieces and have a holistic view. Information sharing and alert management would be valuable, from my perspective.”

Senior Director of Supply Chain  
Specialty Pharma CMO  
United States

# HOW CAN UPS HEALTHCARE HELP?

## **Cold Chain Solutions**

The safe transport of pharmaceuticals, biologics, lab specimens, and temperature-sensitive reagents is mission critical. Our end-to-end portfolio of custom solutions helps protect your shipments whether they're going across the country or across the world.

## **Compliance Adherence**

With coolers, freezers and cryotherapy chambers across 68 global HLD facilities, and more than 950 global field stocking facilities, we can keep shipment temperatures compliant, deliver best-in-class quality programs, offer on-site pharmacies and provide storage capabilities for controlled substances or regulated products.

## **Advanced Technology**

Vital healthcare goods can bring patients new hope. But only if they arrive on time and intact. [UPS® Premier](#) upgrades small packages with advanced sensor technology that ensures a priority lane in our network with highly specialized handling, enhanced visibility and control along the way.

## **Patient Experience**

From [UPS My Choice®](#) software to [UPS Access Point™](#) locations, we help provide convenience and flexibility for patients.

## **Inventory/Transportation Management to Reduce Compliance Cost**

We offer technology-driven inventory and transportation optimization. The strength of your [transportation management](#) system can make a real difference for the patients at the end of your supply chain. We can give you an edge with our global transportation network, suite of end-to-end solutions and healthcare logistics expertise.





## UPS Healthcare

**We'd love to learn more about your business needs.**

Contact us to learn how a customized logistics plan could help position you for success.

[ASK AN EXPERT](#)

