



"Building the Foundation for Future of Supply Chain of Biopharma:  
The Business Imperative for Cost-Effective Quality Patient Care"

# BIOTECH SUPPLY CHAIN ACADEMY



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## Purchasing & Supply Management's Nine Strategic Goals

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Biotech Supply Chain Academy - Nov. 8, 2011

By: Jim Latimer  
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## 1. Early Involvement

- Optimal results achieved from earliest involvement
- Networking to build relationships
- Building on success; communicate results
- Being accessible to customers
- Selling/promoting benefits of Purchasing
- High % of total addressable company spend strategically sourced & managed





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## 2. Cost Reduction/Control

- Competitive bidding; RFQ process; e-Sourcing
- Negotiation
- Standardization
- Supplier consolidation; leverage spend
- Contracts or price agreements with high % of suppliers
- Contracts management
- Contracts compliance; ensure use





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## 3. Strategic Sourcing

- Analysis of spend; opportunities identified
- Commodity & supplier specific strategy development
- Business process reviews
- Negotiation
- Implement, monitor performance, report







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## 4. Continuous Improvement/Innovation

- Metrics development & deployment
- Scorecards development & use
- Benchmarking; employ best practices
- Supplier product shows
- Conferences
- Networking
- ISM, PMI, APICS, PSC, BSMA, et al





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## 5. Efficient, Customer Focused Systems

- e-Requisition system and ERP system (well integrated)
- Internet/catalog buying deployment (VWR, Sigma-Aldrich, office supplies, et al)
- Purchasing homepage on intranet; portal
- Purchase to Pay (PTP) cycle efficiencies focus
- P-Card program broadly used





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## 6. Efficient, Customer Focused Processes

- Focus on PTP end to end process efficiency
- Freezer & refrigerator supply programs
- Consolidated summary billing
- Stockrooms on site; managed by suppliers
- Other value add services by suppliers
- Blanket & standing orders
- P-Card program with strong rebates







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## 7. Collaboration

- Team buying; leverage skills of others
- Cross functional teams participation
- More networking
- Accessible, responsive customer service
- Relationship management





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## 8. Risk Management

- Sarbanes-Oxley compliance
- Adequate policies and procedures
- Supplier qualification process; RFI's, qualification criteria
- Audits and supplier visits
- Market information gathering & analysis
- Insurance certificates
- Confidentiality agreements
- Terms & conditions review; negotiation
- Progress payments based on milestones





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## 9. Leadership (Professional) Development

- Professional certification; ISM's C.P.M. and/or C.P.S.M. promoted; APICS' CPIM; CPCM
- In-house seminars; learn from each other
- External seminars or courses
- Self improvement focus
- Professional journals, books, etc.

