

Supply Chain Excellence in Consumer Healthcare

By Henri Skou, VP Supply Chain Management

The consumer healthcare market is on the march. Health-conscious consumers and trends like 'self-care' and product convenience drive the constant development of new solutions. Original and user-friendly delivery formats, new active ingredients and combinations of these, and new packaging types are just some of the areas that currently challenge the supply chain set-up.

The dynamic market conditions and shorter product lifecycles call for supply chain excellence based on unrelenting reliability, innovative production technologies, increased digitalization, seamless processes and optimum production footprint.

This article explores the opportunities and challenges of today's innovative supply chain for consumer healthcare products.

The empowered consumer is ready for the next product

'What's next' is a key question in the consumer healthcare market, where consumers increasingly take control of their own health and well-being. Around the world, people seek new healthcare products that can enhance their quality of life, improve performance and support individual lifestyle choices.

The response of the healthcare industry is a consumer-centric approach that drives a continuous flow of new products. Supply chain agility that allows fast release of novel formulations and user-friendly formats is required to meet the expectations.

From first idea to manufacturing, packaging, documentation and distribution, the supply chain set-up matters more than ever.



Fertin Pharma A/S
Dandyvej 19
7100 Vejle, Denmark



fertin@fertin.com



+45 7215 1300

Benefits of an integrated set-up

How to build a resilient and flexible supply chain that can accommodate the products of today and tomorrow? That is the ever-relevant question facing consumer healthcare industries. In the search for the optimum solution, proximity between the development laboratories and the production facilities is key to achieving a fast, seamless and highly efficient process from first idea to product launch.

When laboratories and production are close, the experts from both environments can easily work together, try out new ideas and find the best way forward. The integrated environment enables easy testing and modification of formulations, formats, release profiles, and taste variants. If a product contains sensitive ingredients requiring special precautions, specialists are at hand to solve the challenges in the early phases of the development process.

The close interaction between R&D and production supports fast prototyping, testing and validation of product design; and when the final product design is in place, the integrated set-up provides a head start to ramp up production. All these factors combine to ensure efficient development processes and fast time to market for innovative consumer healthcare products.

“The market for consumer health care looks more and more like the FMCG market. It is all about speed and agility from first idea to launch.”

Henri Skou, Vice President Supply Chain, Fertin Pharma

The value of partnerships

What is our core business? Where should we focus investments and hone our skills? What are the risks and opportunities of outsourcing product development, production and logistics? In today's competitive marketplace, more and more consumer healthcare companies reflect on the right set-up and strategic focus of the business. In many cases, these reflections lead to partnership with a Contract Development and Manufacturing Organization (CDMO).

The role of the CDMO is to be master of the entire product lifecycle – from idea and concept development, through prototyping and testing to manufacturing and packaging. With a strong link between laboratories and production facilities, the experienced production people can participate in product development to ensure short lead times from the first idea to ramp up and full production.

This kind of close, strategic relationship facilitates open collaboration and exchange of knowledge that paves the way for continuous improvements and enhances profitability on both sides of the table.

“A joint Customer Improvement Programme is a strong lever to optimize the entire product life-cycle. When collaborating closely, we can reduce cost and increase competitiveness. It is a win-win for all parties”.

Henri Skou, Vice President Supply Chain, Fertin Pharma

The innovative supply chain in practice

Gum is a convenient dosage format in the healthcare industry. It is socially accepted, convenient and discrete, providing a stimulating and refreshing experience enjoyed by many.

The traditional, extruded gum formats, however, may harm the more sensitive active ingredients. This challenge has led to development of new, compressed gum products, especially suited for delivery of functional ingredients absorbed via the oral mucosa.

Compressed gum can be bi-layer or tri-layer formats that allow separation of active ingredients for fast and sustained release combined in one product. The no heat and no moisture compression process protects sensitive ingredients such as vitamins and probiotics. The compression process gives the gum a pleasant texture and mouthfeel.

State-of-the-art machinery invented for the production of compressed gum formats allows customization of size, texture, shapes and added visual effects such as colouring, embossments and speckles.



The opportunities of digitalization

Today, all consumer healthcare companies are part of the digital ecosystem. Data and automation offer a wide range of opportunities to improve efficiency and accelerate growth. The digital transformation is an ongoing journey of innovation throughout the value chain.

In the healthcare industry – as in all other industries - sophisticated digital capabilities have proved to enhance productivity and open new doors to integrated partnerships with customers and suppliers. A fully automated production set-up and system integration upstream and downstream provides competitive edge through automated, seamless processes, reduction of errors and minimized waste.



Automated Guided Vehicles (AGVs) ensure efficient, safe and faultless internal logistics.

Don't forget the packaging

In the past, packaging was just packaging. A few traditional formats satisfied the marketplace. This is now changing due to changes in consumer behaviour, the rise of e-commerce and the growing concerns about recyclability and sustainability.

In other words, getting the packaging right is critical to consumer acceptance and even to product efficacy and safety.

The increased focus on packaging challenges the manufacturing set-up in new ways. The lines must be able to handle a wide range of packaging formats and switching between different packaging types. In-house facilities for consumer-ready packaging saves time, reduces the risk of ensure fast time-to market.

“In close partnership with a big pharma customer, we have just completed a large investment in establishing full-service capabilities for one of their best selling products. The new line comprises everything from processing to shelf-ready packaging.”

Henri Skou, Vice President Supply Chain, Fertin Pharma

The benefits of a global supply chain

When it comes to consumer healthcare, not two markets are alike. It all depends on cultural preferences, health care systems, national regulation, demographics, local health trends, wealth, and buying power.

A global production footprint ensures closeness to consumers, knowledge of local conditions, and short lead times. In order to get the full benefit of a global production set-up, however, companies have to take an integrated approach to the entire supply chain. Specific, local capabilities and regulatory differences can be used to optimize the value proposition to the customers.



Never compromise on quality

Quality and integrity are fundamentals of the consumer healthcare industry. The responsibility extends to consumers and to customers, who rely on their manufacturing partners to deliver high quality and safe products.

In the production hall, the quality management system is put to the test every day in order to ensure regulatory compliance and high quality at the lowest possible cost.

Quality management governed by international quality standards covers the complete value chain. In order to achieve the highest quality, quality measures and procedures must be fully integrated into the entire product lifecycle, from procurement of ingredients and materials to packaging, documentation, testing and product release.

“The regulatory requirements and compliance expectations in the consumer healthcare sector are constantly increasing. Fertin Pharma’s heritage and experience in the pharmaceutical industry makes us particularly well prepared for handling this challenge.”

Henri Skou, Vice President Supply Chain, Fertin Pharma



Fertin Pharma’s facilities in Denmark are cGMP certified and approved by the Danish and US FDA. Our Canadian facilities are approved by Health Canada and the BRC. Our factory in India is approved by the Indian FDA and WHO.

About Fertin Pharma

Fertin helps leading global brands create pharmaceutical and nutraceutical products to support healthier living. We develop and manufacture innovative oral and intra-oral delivery systems that enhance the efficacy of your active and functional ingredients – without compromising on taste-masking, texture and the consumer experience.

Our heritage from the confectionery industry and a successful track record in the consumer healthcare industry, enables us to give customers best-in-class service from product development to commercial supply.

With more than 800 employees across our R&D centres and manufacturing facilities in Canada, Denmark and India, we produce more than 3 billion units a year, used by consumers all over the world.

