

HOW CAN **TEAM-UP** MITIGATE SOME OF MY BIGGEST CHALLENGES?

Structured collaboration has been shown to bring enormous benefits. Companies that collaborate effectively across the supply chain have enjoyed dramatic reductions in inventories and costs, together with improvements in speed, waste reduction, service levels, and customer satisfaction.

In the rapidly-changing pharma-logistics environment of globalisation, regulation, technical change, modal shift, customer-centricity and much more, supply chain players must be prepared to move from 'just-adequate practice' to genuinely 'best practice' if they are to survive. To do this they need to rethink how they work together in order to optimise operational efficiency, share information, reduce risk and drive innovation.

Here we look at some of the difficulties faced by pharma-logistics suppliers that can be addressed or assuaged through pursuing a **TEAM-UP** approach.



I am not seen as being sufficiently different from my competitors in the market place. Can **TEAM-UP help me stand apart?**

As pharma logistics increasingly becomes commoditised companies are having to more forcefully seek to add real value and differentiation to their market offerings. But the pursuit of a 'killer USP' is a quest with few happy endings. It is increasingly difficult to convince buyers of your worth in the face of myriad competition. However, by becoming **TEAM-UP** certified you will be supplementing your other USPs with one that is very much needed and very distinctive from other, more mundane, differentiating factors. Although modelled on schemes that exist in other sectors, the **TEAM-UP** Charter Certification is completely unique in the field of pharma logistics. By getting a head start in the **TEAM-UP** programme you will be able to give your company an unassailable competitive lead and open the doors to a completely new class of business.



The current silo-ed relationships and forms of contract in pharma-logistics do not permit me to have open and productive dialogues with those stakeholders that lie beyond my immediate transactional partners. How does the **TEAM-UP model address this limitation?**

Traditional one-to-one contracts and historical lines of communication tend to dictate a very restricted and linear flow of information and chain of command between supply chain actors. This is completely at variance to the concept of integrated supply platforms and invariably results in grossly sub-optimal performance. On the other hand **TEAM-UP** supports the use of modern 'umbrella' agreements and other contractual relationships to facilitate cross-party communications, to allocate risk and responsibilities and to nurture communal problem resolution. Through advocating a wholly inclusive approach to supply chain design, operation and management, **TEAM-UP** will drive reform in pharma-logistics and make it fit-for-purpose in the 21st century.



My company is continuously pitching for business on the basis of lowest-price rather than best-value. How will this change under **TEAM-UP?**

This is a scenario that is endemic to traditional procurement and will never change under the current system. However the integrated supply chains being promoted by **TEAM-UP** involve co-ordinating the combined power of all the different supply chain parties to contribute towards strategic efficiencies and best-value solutions. **TEAM-UP** does not remove competition but it moves the emphasis from tactical cost-saving to strategic value generation. In this way it drives total-cost-of-ownership (TCO) solutions and serves to frustrate the type of corner-cutting pricing practices that cost reputable businesses custom and ultimately end up costing customers a lot more.

 **My company harbours a huge amount of expertise and experience which traditional linear supply structures fails to capitalise upon. How will this be different with TEAM-UP?**

All traditional supply chains encompass a vast amount of value in the form of knowledge, expertise, ideas and experience that remains forever locked-in. This is because conventional supply chains tend to be cost rather than value oriented, reactionary rather than enterprising in nature, managed with obsolete thinking and organised around short-term transactional gain rather than strategic competitive advantage. These are universal problems which conventional supply chain configurations and mentalities are incapable of addressing. However, many of the most successfully integrated and aligned supply chains elsewhere have effectively tapped in to this hidden supply chain 'gold-mine' with often spectacular results. For example, in the author's experience, the early-involvement of key suppliers in developing solutions has resulted, inter alia, in cost savings of as much as 40% through the capture of ideas and innovation, the sharing of resources and information and the removal of waste and duplication. **TEAM-UP** is all about focusing the energy and resources of all supply chain parties in order to meet agreed supply chain objectives and to do this in an atmosphere of mutual trust, goals, reward and risk.

 **I would welcome the chance to be a valued partner in more strategically-aligned supply networks but I am not visible to the decision-makers concerned and, even if I were, I do not have any credentials that would set me apart from other contenders. How can TEAM-UP help?**

All **TEAM-UP** participants must sign up to the **TEAM-UP** Charter which results in a peer-reviewed certification that testifies to the collaborative commitment and competence of the bearer company. As in all areas of business we measure to establish baselines and we test, re-test and substantiate to ensure progress. In the case of systemic collaboration companies must be able to demonstrate their collaborative competence and be able to show that they are better and more disciplined at collaborating than they were before. The **TEAM-UP** Maturity Meter and the **TEAM-UP** Charter allow companies to do just that.

 **I am struggling to align my supply-chain around common collaborative principles and methodologies. Does TEAM-UP offer a solution?**

Establishing an integrated supply chain requires each individual stakeholder company to be embedded, from the boardroom to the shop floor, with a common vision, a common set of principles and a common understanding of agreed collaborative working practices. In addition, both the strategic and tactical focus of each company must revolve around this common agenda without default, waver or inhibition. Then, all the parties in the company's supply chain must be managed and motivated to pull in concert towards common goals using common strategies, common systems, common measurement metrics and a whole lot more. A huge challenge. And that's just for one supply chain. This is why, by adopting the universal **TEAM-UP** approach much of the basic 'heavy-lifting' of supply chain integration can be standardised making the formation of integrated supply chains much faster as well as more sustainable and predictable.

 **I am so far adrift of the supply-chain centre of gravity that I am nothing more than a cork on the ocean when it comes to shaping and influencing my supply chain. Will this change with TEAM-UP?**

Supply chain parties, especially SMEs (small and medium enterprises) are often resigned to a self-perception of insignificance when it comes to the networks in which they perform. The fact is that, however low on the totem pole an individual company may be, if a company is part of a supply chain then it is necessary. And if it is necessary then it is important. While it may not have a permanent seat at the network management table, such a company's expertise in a **TEAM-UP** scenario will always be sought as and when appropriate. It will be aligned with the objectives and values of the network as a whole and rewarded fairly for the value it brings.



We are continually being asked, expected or required to upgrade our facilities, continuously innovate and improve our staff training and yet we do not seem to realise any win-win benefits or positive incentivisation from all this expense and effort. Will TEAM-UP help in this respect?

This situation reflects the asymmetric balance of most supply chains and the fact that suppliers, even very large ones, are at the mercy of poor quality information or nebulous assurances from customers that often view their suppliers more as expendable pawns than strategic partners. Contrast this with the comparable situation in most of the automotive industry where the concepts of commercial mutuality and interdependence are well understood. Here the big car manufacturers work in an intimate manner with their supply partners who are automatically party to real-time demand information, who are incentivised to invest, who are given technical and commercial support and who enjoy very long service contracts. Although they are subject to intense cost pressures they are never squeezed to the point of collapse, they have long-term security of business and, with manufacturer support, they operate at the frontiers of technology. **TEAM-UP** is designed to facilitate the creation of this type of symbiotic relationship.



We are unable to share commercially confidential information amongst our supply chain

Companies are rightly wary about sharing commercial and proprietary information. They are concerned about data security, about the potential for data confidentiality breaches, about seeing benefit or reward and, most of all, they worry about being exposed to commercial risk if they make their data available when others do not reciprocate. But, in an information age no-one doubts the safety, security and commercial value of sharing data. To make this possible information transfer must always be two-way, it must always be conducted in a safe, controlled, environment and it must always be carried out between trusting partners. This is exactly the environment fostered by the **TEAM-UP** programme.