

# Can Your 3PL Partner Grow with You?

## Five Questions to Ask

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With new 3PL providers emerging every day, pharma is faced with an influx of so-called logistics and distribution experts. It can be difficult to determine which type of provider will serve your needs best or choose the one that's right for your product. But the implications of making the wrong choice include knowledge gaps that can lead to compromised product integrity and affect patient safety and product reach, as well as process shortcomings that can jeopardize your customer relationships and brand reputation — a particularly important consideration for manufacturers during their first product launches.

Over the next few weeks, we'll explore the five questions manufacturers should ask to uncover whether your 3PL provider is the right choice for your business, now and in the future.

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### Question 1: What does “the right experience” look like?

**LET'S BE CLEAR: THERE'S NO SUBSTITUTE FOR EXPERTISE AND EXPERIENCE IN DISTRIBUTION.** If a logistics company can't make sure a product gets from point A to point B in a safe and timely manner, then that company clearly doesn't deserve your business.

But your product is different than consumer electronics, food products or industrial goods. Healthcare products—especially specialty pharmaceutical products—require unique expertise in the supply chain to ensure product integrity, regulatory compliance and seamless customer interactions throughout the ordering and distribution process. Shortcomings in any of these areas can result in substantially negative consequences: cold chain products going outside temperature range, delays in getting vital medications to customers, improper billing and account reconciliation, inefficient inventory management.

Selecting the right 3PL for your products, then, means evaluating more than the amount or scope of a potential partner's experience. It means considering if the partner has the right experience to support your product's specific needs.

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Here are a few elements to consider when assessing whether your 3PL has the experience to match your expectations:

### **Right Infrastructure**

Is the 3PL partner equipped to address a full range of product needs? Those needs might encompass different temperature control requirements, controlled substance storage, systems and processes to manage interactions with all types of healthcare provider customers—from pharmacies to wholesalers to physician offices.

### **Right Knowledge**

New regulations like DQSA will impact how your products are received, stored, tracked and shipped. Is your 3PL partner actively informing you of the steps it is taking to ensure timely compliance with new regulations? Is the company offering guidance on the preparations you need to make prior to deadlines?

### **Right Service Model**

Does the team that launches your 3PL program stay on to serve your account, or are you continually passed from person to person and team to team? Does the 3PL provider serve as an extension of your business to give you insight on billing, product handling at the delivery point and other customer considerations? Having a service model that aligns with how you work allows you to gain greater line of sight into your entire supply chain, while also giving you a strategic and operational partner that will be responsive and accountable.

### **Right Value**

Does your 3PL provider go behind the basics to bring solutions that save you time and expense? Can the company show ongoing investment in resources or improvement in quality that help manufacturer clients reach their customers more effectively? Whether it's offering services like relabeling and re-kitting or implementing continuous improvement programs like ISO-certification, a 3PL provider with the right experience brings premium value to the relationship—even if there is not a premium cost associated.

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Growing your business starts with a 3PL partner that addresses all the elements above—with a base of experience that combines quantity and quality to drive your success. In part two of our five-part series, we'll examine how your short-term and long-term business goals can influence decisions about 3PL partner selection.

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