

Three Critical Components of the Specialty 3PL Experience

What should you expect from your supply chain partner?

As product profiles change and manufacturer consolidations create variations in a single client's product lines, client needs within the 3PL space are becoming more difficult to count — and more difficult for unprepared partners to meet.

As a manufacturer, what do you expect when it comes to specialty logistics? A good 3PL can distribute your product and provide full order-to-cash service. A great one can help you understand your options and select the ideal distribution strategy, then tailor their services to your goals and support it with the right technology and infrastructure. With that in mind, we're sharing three key expectations for 3PL performance.



Strategic consulting



Streamlined service



Actionable intelligence

Strategic Consulting

Whether it's your first time to market or you're launching one of many products, you've perhaps invested years of research and often millions of dollars in your product's success. When it's time for distribution discussions, you know that the wrong move can produce less than ideal results in the market. You want best practices — not best guesses — that get your product to market as effectively as possible.

Manufacturers should expect their 3PL partner to understand and be able to make recommendations on everything from channel strategy to packaging requirements for shipping.

Expect a level of expertise that allows you to take comfort that your product will be delivered correctly to the right downstream customers, especially for temperature-controlled and other sensitive specialty products. That means you should expect your 3PL to be investigating different mechanisms for shipment and distribution scenarios that exist.

As the industry looks for new and different ways to get medications to patients with the greatest cost efficiency, expect more than pick/pack expertise from your 3PL.

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ALBERT COOKSEY

VICE PRESIDENT, BUSINESS DEVELOPMENT, ICS

Streamlined Service

Different 3PL partners offer varying account management methodologies. What should you expect from the team you work with on a daily basis? In addition to strategic consulting, make continuity a consideration.

While some providers connect new customers with an implementation manager before transitioning over to a day-to-day account manager, others employ a pod structure with varying levels of interaction across multiple departments. But there is incredible value in a relationship manager that is involved from implementation through ongoing management and across functional services — from finance to IT. This approach creates experts for a manufacturer's specific product and business throughout the product's entire life cycle. It also enables streamlined communication. And when your 3PL is the face of your business to downstream customers, ensuring consistency is critical.

Measureable service metrics matter, too. When thinking about maximizing the return on your logistics investment, consider how your 3PL provider performs in matters such as chargebacks and accounts receivable. Actively managing AR and increasing the percentage of customers that are current on receivables by even a single percent can make a substantial impact to your monthly bottom line.

ICS
CUSTOMERS
EXPERIENCE AR
AT
96%
 CURRENT
OR
HIGHER.

Actionable Intelligence

As you grow — and you certainly want to — more and more stakeholders will become a part of your internal supply chain functions. From procurement and finance to VP of supply chain, everyone wants visibility. How are you making sure the right information gets to the right people?

Knowing that visibility is important to customers, top-performing 3PLs are always looking for technology that helps them provide real-time information to support customer needs. You need to know your sales, orders and inventory changes as they're happening. And since technology offerings are now "table stakes" for 3PL, expect robust reporting capabilities and a partner that provides instant access to data that drives business decisions.

54%
OF SHIPPERS

ACROSS
INDUSTRIES
— ARE —
INVESTING IN
ERP
SYSTEMS¹.

About ICS

ICS combines dedication with depth to deliver healthcare logistics solutions that help manufacturers succeed. With our expertise and the global capabilities of AmerisourceBergen, you'll benefit from a supply chain strategy that integrates with your commercialization plan. You'll benefit from a partner that pioneered the specialty logistics market with an unmatched approach to quality and continuous improvement. You'll discover value from an expert

account management model that ensures operational excellence at all points in your product's journey. From strategic planning to integrated logistics and actionable intelligence, ICS is the path that leads to improved supply chain performance, maximum return on investment and enhanced patient care.

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Sources

¹2015 Third-Party Logistics Study. Available online at <http://www.3plstudy.com/downloads/download-3rd-party-logistics-study/>. Accessed 14 November 2014.



Where knowledge,
reach and partnership
shape healthcare delivery.