

Improving a Major Pharma Company's Process for Allocating Critical and Scarce Drugs



Freed Associates helped a major pharmaceutical company to automate and enhance its process for allocating high demand, short supply cancer drugs to its customers, enabling the company to make product distribution decisions in a more equitable manner.

Situation

The shortage of oncology drugs is a major issue for cancer care providers and their patients. In many cases, patients rely on these medications to survive. But due to high demand and limited production, these drugs are frequently unavailable. Pharmaceutical companies have been severely criticized for the way in which they allocate their inventory.

A leading wholesaler of these medications launched a program in 2010 to address this issue, as the industry faced the worst shortages in 30 years. The program was intended to improve the company's ability to manage its inventory and allocate drugs to the patients who need them most.

Solution

The company engaged Freed Associates to enhance the program by increasing efficiency and integrating the program more closely with the company's sales force. They asked Freed for guidance on how best to adapt their

technology and processes to better meet the needs of their customers.

Prior to the project, the client had allocated these medications solely based on a customer's past purchases. Freed made the process more sophisticated and more responsive to customer needs by adding to its business processes an expanded set of requirements based on inputs from the client's clinicians, pharmacists and physicians.

Freed then worked closely with the client's IT team to incorporate this logic into its systems and to automate previously manual, time-consuming steps in the allocation process.

Over the course of the 15-month engagement, Freed played several roles in addition to providing business analysis and project management. Freed developed and delivered a comprehensive training and communications program to ensure that the company's sales team and customers understood and were comfortable with the new process. The team also provided extensive documentation to complement the structure and processes that had been implemented, and to ensure the program's ongoing success. Even after the program's implementation, Freed continued to work with the client to make further improvements.

Results

Freed's work helped transform the program into a robust system of tools and processes to make rational allocation decisions based on key inputs from the client's customers. The company now has a consistent allocation process that is tied as much as possible to actual patient need.

Customer feedback about the program has been overwhelmingly positive. Customers have praised the client for its industry-leading response to the drug shortage problem. They say the system is comprehensive and responsive, and most importantly, equitable.