

Pharmaceutical Outsourcing Impact on Cold Chain Shipping

Pharmaceutical companies are in a state of flux. Like many other industries, these companies are looking to be leaner and faster. They often cite “de-risking” as an important strategy to conserve resources as they expand their global footprints.

The Outsourcing Trend

There is a trend toward outsourcing of pharmaceutical development, manufacturing and commercialization services. Companies have reduced their internal capacities for non-core competencies and are outsourcing those functions. For example, it is estimated that the global Contract Research Organization Market will reach USD 59.42 Billion in 2020, growing at 9.80% CAGR. According to [Contract Pharma’s 2015 Outsourcing Report](#), sponsor companies are continuing to take a more strategic (60%) approach to outsourcing.

How to Capitalize on Outsourcing

One of the areas companies are looking at to gain an outsourced competitive advantage as they expand to a more global model is to tap into their logistics partnerships for improved service and reliability while controlling costs. That growth is reflected in the cold chain industry globally, where logistics spending is expected to reach \$9.3 billion in 2016 and more than \$10 billion by 2018. Asia is expected to account for the largest regional share with growth of more than \$1 billion, according to the [Biopharma Cold Chain 2014 Sourcebook](#).

Why Look to Logistics Partnerships?

The cold chain industry is growing not just as a outsource partnership, but as a strategic partnership for the explosion of biologics that are highly precious and in need of temperature control across the supply chain. This creates a high-risk scenario where logistics, delays and temperature excursions can cause adverse outcomes for expensive clinical trials and research.

Therefore, a variety of companies and organizations are looking to their partners to help them manage risk and control costs by:

1. Monitoring the temperature (condition) and location of their temperature-sensitive materials across the entire supply chain.
2. Asking them to build streamlined logistics plans for the most efficient and effective shipping lanes and logistics paths to minimize time in transit and cost.
3. Leveraging their expertise in customs, documentation and in transportation carrier relationships to expand into new markets with less established transportation systems.

Finding the Right Strategic Partner

The most successful companies that are building outsourced logistics models are building strategic relationships with companies who truly understand their business. Cryoport has worked with a variety of companies and research organizations to help them successfully monitor their shipments and build streamlined cold chain logistics systems. Cryoport has also been a source of knowledge for best practices in new global markets.

If you are looking to decrease risk in a cost-effective manner and need a strong partner for frozen shipping with the increasing pace of global expansion, visit cryoport.com or call +1 949.232.1900.