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## **Cold Chain Packaging & Process Reengineering**

One of the largest Pharmacy Benefits Manager in the U.S. with daily shipments of prescription drugs to millions of Americans. Victrix was tasked with developing a procurement strategy for passive shippers used in cold chain distribution to improve the integrity of temperature sensitive drugs to reduce shipping costs as well as drive efficiencies in the manual packing process. The objectives of the projects were:

1. Review process to qualify protective packaging
  - Requirements – product stability, mode of transportation and temperature sensitivity
  - Design - ambient profile, shipping configuration, insulating material, monitoring device
2. Review procurement process for passive shippers
3. Comply with all regulations and standards
4. Minimize costs
5. Increase efficiencies in manual packing process

### **Victrix Key Findings:**

- Non utilization of downstream intelligence from cold chain packaging supplier base
- Category not competitively sourced for several years
- Inconsistencies in pack outs at manual packing stations due to lack of training and high turnover rate
- Design and layout of manual packing stations creating labor and shipping inefficiencies
- Packaging failures in transit
- Lack of understanding of temperature profiles of shipping method and route

### **Victrix Recommendations:**

- Communicate with suppliers, carriers, forwarders
- Source and test new materials to enhance performance while reducing costs
- Enhance and deepen internal knowledge of product stability
- Appropriate product protection
- Develop comprehensive training for all pack outs
- Reengineer manual packing stations to gain labor efficiencies and reduce material waste
- Streamline the process from warehouse to customer service



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**Results:**

- Reduced packaging costs by 10%
- Reduced material waste through comprehensive training program
- Improved packaging performance and customer satisfaction
- Saved \$1.3 Million in annual operations due to increased productivity