



Rethinking Supply Chains:

The impact of COVID-19 on the Life Sciences supply chain



The key drivers: Diversification, Building Resilience & Digital Transformation



The impact of COVID19 on the Life Sciences supply chain

The global COVID-19 pandemic has impacted every industry, causing disruption and driving re-invention and transformation. Life Sciences, as one of the most vital sectors, has felt this effect even more acutely. The crisis has rattled business leaders and policymakers alike and forced them to find ways to ensure similar situations are managed better in the future.

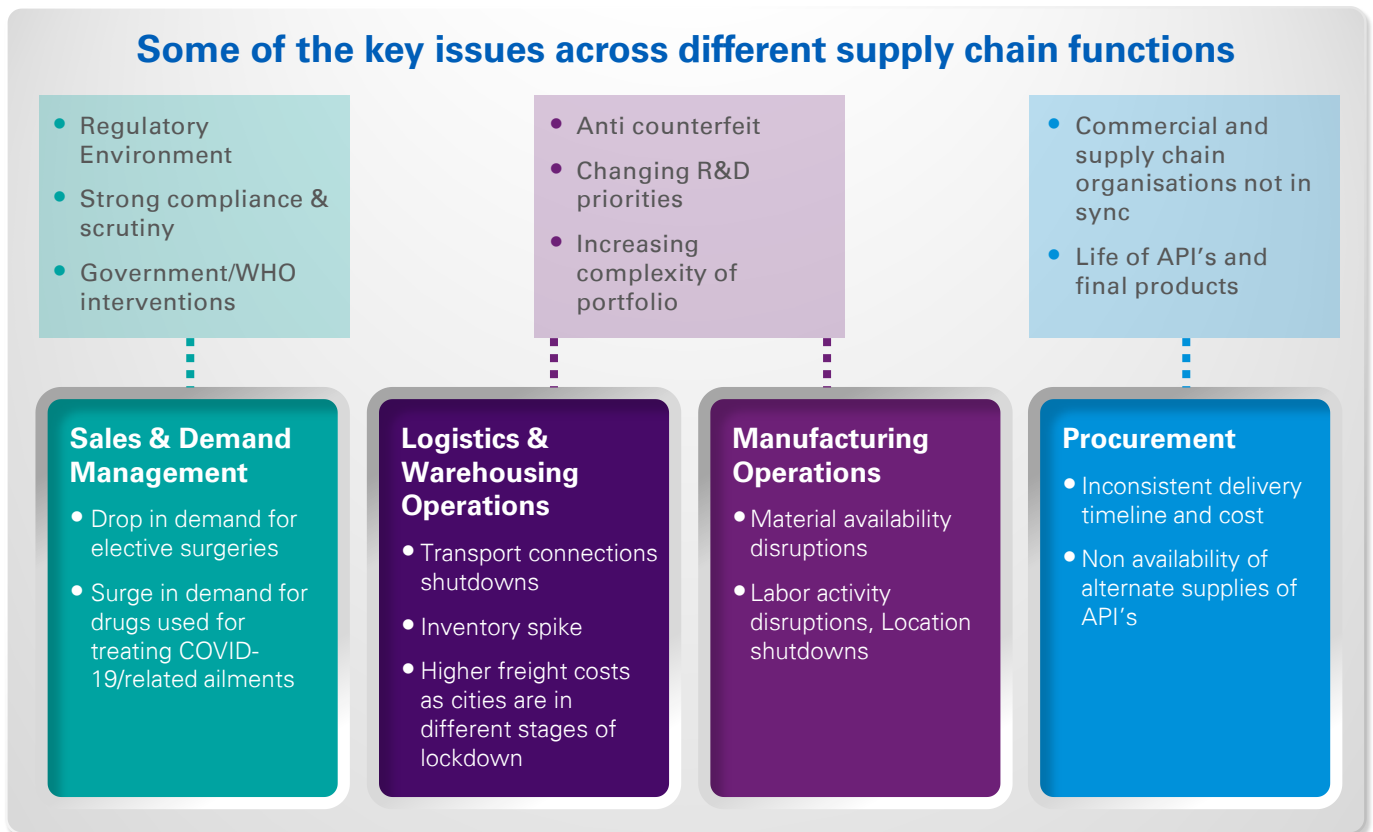
In particular, the critical role that China plays in the supply chain has been brought sharply into focus:

- Over 70% of world API production is in China, and API manufacturing facilities have doubled in China from 2010-2019
- Over 70% of protective supplies being utilised across the globe are from China

The Life Sciences supply chain is now under increased scrutiny. Uncertainties brought about by trade disputes, climate change, natural calamities ,and other unforeseen circumstances are inevitable. Policymakers across the globe have realised that supply chains driven solely by cost pressures are not tenable and policies are being formulated to ensure diversification.



Some of the key issues across different supply chain functions



Key focus areas for executives

Securing critical supplies and finding alternate sources of supplies

Executives have been tasked to identify and develop alternative sources for API procurement. There are multiple data sources available that can be used to run simulations while finalising the suppliers.

Nearshoring of manufacturing operations

Manufacturing operations in the Life Sciences industry are highly regulated. Nearshoring of manufacturing close to where there is consumer demand, is on the radar for executives and policymakers alike.

Digitisation of supply chains

Supply chain digitisation has been a focus of executives for a while. Organisations are prioritising multiple initiatives on this front, primarily because of the change in consumer preferences, increasing visibility on their operations and how it can enable business executives in deciding the key initiatives to be prioritised.

New opportunities in the consumer health care business

There is a revived demand in the consumer healthcare

business. The companies that have a strong direct-to-customer and omnichannel presence are leading in this segment in satisfying consumer demand.

New technological breakthroughs in medical sciences

New approaches for therapy are coming up (e.g. CAR T-cell therapy) which demand a more personalised supply chain. A redesign of manufacturing, warehousing, and distribution operations is required to deliver services to patients.

Alignment of commercial and supply chain teams

The siloed approach followed by supply chain and the commercial organisations is one of the key issues that has glaringly come out during the pandemic. Executives are focusing on process harmonisation across teams and organisations.

New ways of working

The pandemic has uncovered new ways of working in a "low touch" economy. While initial feedback across industries is highly positive, nevertheless a sustainable strategy for the challenges associated with working from home over the longer term need to be addressed.

How we can help

Organisations everywhere are asking mission-critical questions pertaining to the supplier and operations risks that have emerged as a result of the COVID-19 environment. We recognise that during this time, business leaders not only need solutions, but reliable consultants as well.

KPMG's Supply Chain team is here to support you in navigating this unprecedented situation.

KPMG's worldwide network of member firms offer more than 2,000 supply chain, strategy, and value chain management professionals who can help you address the

issues of today – from crisis response planning and rapid diagnostics for supply and demand risks across your operation, to scenario analysis and contingency planning.

Our professionals are skilled across all areas of supply chain operations, whether it be strategy and analytics, supply chain risks, planning and execution, or logistics and distribution.

We also have the capabilities to help you integrate tax planning into your business operations to help minimise expenses and risk, enhance return on investment, and drive efficiencies across operations.

About Rethinking Supply Chains

KPMG Rethinking Supply Chains highlights the latest issues in Supply Chain Operations, impending changes to current practices, and potential problem areas that may impact your company.

As certain issues discussed herein are time sensitive, it is advisable to make plans accordingly. Rethinking Supply Chains is issued exclusively for the information of clients and staff of KPMG Services Pte. Ltd. and should not be used or relied upon as a substitute for detailed advice or a basis for formulating business decisions.

To uncover more insights on how you can navigate the future of supply chains, click [here](#). Alternatively, feel free to contact us to discuss supply chain issues and to find out how we can help take your supply chain operations forward.

Contact us



Rakesh Agarwal

**Partner,
Advisory**

E: rakeshagarwal@kpmg.com.sg

T: +65 6411 8165

KPMG

16 Raffles Quay #22-00

Hong Leong Building

Singapore 048581

T: +65 6213 3388

F: +65 6220 9419

kpmg.com.sg



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