LifeScience Logistics Achieves 99.97% Inventory Accuracy with Elite™ Enterprise Solutions

SUCCESS STORY

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Snapshot:
LifeScience Logistics

Industry

Healthcare
3PL

The Challenge

To provide domestic and global healthcare manufacturers with unique, regulatory-compliant distribution facilities and processes.

The Solution

Tecsys' Elite™ Enterprise solutions as a SaaS (software as a service) model.

The Benefits

LifeScience Logistics is able to achieve for its customers 99.97% inventory accuracy. It is also enabled to deliver, on behalf of its customers, the right products at the right price without sacrificing on quality.

Increase in inventory accuracy to
99.97%

Increase in fill rate to
99%

"With Tecsys we have a reliable IT infrastructure that can be tapped anytime, from anywhere, securely. The system is always available; it is like "googling" into a supply chain network of applications, giving us and our healthcare customers the peace of mind and visibility of what is happening, where and when. Most importantly it is helping us achieve a high level of customer satisfaction."

Richard Beeny
Co-founder and Chief Executive Officer of LifeScience Logistics

About **LifeScience Logistics (LSL)**

Founded in 2006, LifeSciences Logistics is a third-party logistics services provider in the healthcare industry. The company provides a full range of standard and specialized logistics services scalable to the changing needs of its customers.

LSL was founded by two complementary executives: Richard Beeny, an industry veteran with a substantial track record in the supply chain management industry—most notably with one of the largest third-party logistics providers, UPS Supply Chain Solutions—and Max Kamhi, a successful entrepreneur and real estate developer.

Through its cGMP compliant facilities, LSL enables its clients; small to mid-size manufacturers in the pharmaceutical, biotech and med-surg fields, to outsource the warehousing and distribution of frozen (-30c), refrigerated (2c-8c), and ambient (20c-25c) products as needed to meet their business objectives.

> **"In today's competitive environment, healthcare products manufacturers are taking a hard look at capital requirements and are shedding non-core business activities like warehousing and distribution. We specialize in making distribution easy for them."**
>
> **Richard Beeny**
> ***Co-founder and Chief Executive Officer of LifeScience Logistics***

About **The Biotechnology Industry**

In the 1970's, the biotechnology industry emerged. Its first innovation was a new "Recombinant DNA" technique; its details were published in 1973 by Stanley Cohen of Stanford University and Herbert Boyer of the University of California, San Francisco, putting the first "Blip" on the radar screen for a whole new world of healthcare innovations to come.

In 1982, recombinant human insulin became the first biotech therapy to earn FDA approval, paving the way for increased acceleration in the industry's product development. Since 1992, the biotech industry has experienced explosive growth; revenues from U.S. publicly-traded companies increased from about $20 billion in 2000 to over to $93 billion in 2015, with research-intensive spending in excess of $27 billion.

Today, biotechnology is the fastest growing healthcare industry segment. It has created more than 200 new therapies and vaccines, including products to treat cancer, diabetes, HIV/AIDS and autoimmune disorders, and has deployed more than 400 drugs and vaccines in clinical trials; making their way through the supply chain in an attempt to reach consumers following FDA approval.

Prior to reaching patients, Biotech/Pharma products enter a complex supply chain that involves many collaborators and a significant number of handoffs from raw material suppliers all the way to end users. Pharmaceutical and biotechnology companies follow strict standards for packaging, labeling and documentation, particularly when shipping biological or hazardous materials. It is during this complex process where the management of the supply chain is most critical. Weaknesses or failure at any point in the chain can compromise product integrity, breach security, delay shipments and ultimately result in financial losses or liabilities.

In the life sciences sector, logistics has made a major shift; moving from the back office to the forefront with executive management becoming more active than ever in the strategy and execution of their supply chain operations. This is particularly true today due to the intense competitive landscape, shrinking profit margins and regulatory compliance requirements.

With the evident growth of the Biotech/Pharma industries and the substantial opportunity for specialized expertise in supply chain for healthcare, LifeScience Logistics (LSL) was founded, its mission: "To provide the highest quality, flexibility and compliance in healthcare supply chain solutions."

Challenges

LSL's strategy; to create and deploy a "shared-utility infrastructure," in essence it is a highly-secure distribution operation with a virtual data center, providing logistics services that can be shared by a number of customers, regardless where they are globally. It is an operation that provides customers with unique but standard technology and regulatory-compliant processes to be able to consolidate their distribution operations.

In addition to its domestic clients, LSL has targeted offshore small to mid-size pharmaceutical and biotechnology manufacturers, particularly in Europe. Small Biotech/Pharma companies' core value is research and development, typically driven by dynamic scientists and researchers, their need is: Distribution infrastructure to outsource their logistics operations and enter the U.S. market. U.S. presence for these offshore Biotech/Pharma manufacturers requires USPPI (U.S. Principal Party in Interest) to facilitate their customer support and imports to the United States.

With LSL's shared utility infrastructure, Biotech and Pharmaceutical manufacturers are able to:

- Leverage LSL's already-established and maintained facilities, supply chain technology and visibility tools to support their expanding product portfolio and supply chain operations.
- Have contingency capabilities to mitigate the risk inherent in having "all eggs in one basket," due to the high dollars of controlled substances in one location.
- Focus resources, reduce costs and improve quality by leveraging LSL's already established FDA compliant, integrated technology and processes.

Overall, Biotech and Pharmaceutical logistics operations require deep understanding, not only of imports, shipping, handling and warehousing, but also of temperature-control, compliant processes and regulatory standards. Temperature-sensitive biological materials, active ingredients and samples for clinical trials play a vital role in bringing to market new drugs. At various phases in the development of these products, they must be stored and transported between sites, biobanking facilities and analytical laboratories. During transit, warehousing, storage and distribution, they must be carefully managed to maintain temperature requirements according to manufacturers' and regulatory guidelines. Reducing the chances for human error through systems and processes was key to developing a compliant and effective network.

> **"There is an appetite for total logistic solutions that encompass an order to cash model for offshore manufacturers. In reality, we are the local representatives for these offshore companies in the U.S."**
>
> **Richard Beeny**
> ***Co-founder and Chief Executive Officer of LifeScience Logistics***

Solution

Following an extensive research among several distribution management software companies, LSL opted for Tecsys' Elite™ Enterprise solutions as a SaaS model.

LSL selected Tecsys because of its:

- Experience and expertise in healthcare products distribution.
- Robust, FDA-compliant, integrated distribution ERP, warehouse and transportation management applications that are easy to deploy, learn and use.
- Visibility technology for business intelligence as well as lot and serial-number tracking.
- Web-based, open technology platform.
- Hosting capability with a solid support organization.

With Tecsys' software, the underlying IT infrastructure of LifeScience Logistics is a fully-redundant remotely hosted suite of distribution applications that includes order management, warehouse management, transportation management and financial management. The system supports an order-to-cash model and includes "charge back" and accounts receivables functionality both of which are critical in healthcare. The system is validated according to cGMP (The FDA's "current Good Manufacturing Processes") requirements and allows customers to place orders and view inventory in real time online, as well as check on inventory levels and reconcile outstanding credits or invoices.

Tecsys' SaaS model allows LifeScience Logistics to:

- Invest in its core values: Its logistics operations, and allocate funds to support its core competencies.
- Capitalize on the Web: Take advantage of Tecsys' web-based applications—scalable and available anytime, anywhere, the short deployment cycle of Tecsys' SaaS model, and the application's continuous improvements with no disruptions.
- Leverage a light weight IT infrastructure: No servers or major network infrastructures, hassle-free support 24x7, and no IT department.

> **"Tecsys' software had already been validated; it was already deployed at McKesson, Cardinal Health as well as others, making it a proven product for healthcare. That was a big plus in our decision making process."**
>
> **Richard Beeny**
> ***Co-founder and Chief Executive Officer of LifeScience Logistics***

Solution

Today, LSL operates out of four cGMP compliant and FDA registered facilities totaling more than 1.35 million square feet of fully validated and temperature-mapped space, strategically located for optimum flexibility and efficiency for shipping across the U.S.

LSL customer orders flow from order taking, order processing, through to warehousing activities including: picking, packing, kitting, shipping, and reverse logistics with the guaranteed accuracy of radio frequency and bar coding technologies. LSL's customers can easily, securely and selectively have access to the back office functions such as order tracking, shipment status, invoicing history, inventory visibility, and financial information, confident with the information provided by the system.

"With our Order to Cash model, customers reap big benefits," stated Beeny. "While some customers only want to outsource warehousing and distribution, others take advantage of the opportunity to focus on their core competency of manufacturing and leave the rest to us. We are able to manage the business cycle that starts with reception of a customer sales order and ends with collection of accounts receivable generated in the sale of the final product, including: receiving orders, entering sales orders, approving sales orders, fulfilling orders, billing for the orders and collecting payment."

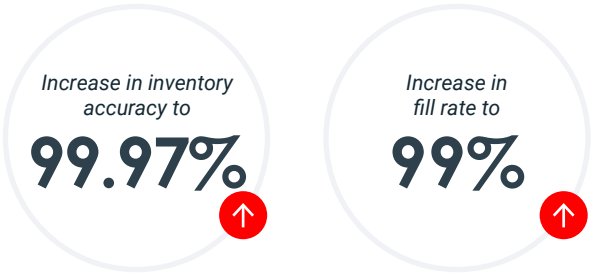
Furthermore, with Tecsys' Elite™ Enterprise supply chain management platform, LSL is empowered to manage supply chain issues related to track and trace requirements for its customers. The technology provides powerful event-management capabilities that can notify the appropriate individuals of key events which may impact their decision processes; such as a product alert, a customer emergency, an inventory shortage or a delay in delivery. As exceptions are detected, an alert is sent out to the relevant decision makers who can then use available tools to address the ramifications of corrective action.

> **"The SaaS model resonates well with healthcare because of the budgetary and speed to market needs. In addition, our focus is on the customer and we didn't want to have to occupy ourselves with an IT infrastructure and a large IT department, both of which are not our core competency but are key to delivering our services."**
>
> **Richard Beeny**
> ***Co-founder and Chief Executive Officer of LifeScience Logistics***

Benefits

Today, LifeScience Logistics' share-utility infrastructure is empowered by Tecsys' Elite™ Enterprise FDA-compliant solutions, enabling LSL's management to securely deliver, on behalf of their customers, healthcare products at the right price without sacrificing on quality. The uniqueness of Tecsys' integrated applications freed LSL from the enormous challenge of having to deal with multiple IT providers and enabled them to focus on their customers and on what they do best; nimble logistics services backed by deep expertise.

In addition to the substantial automation achieved with Tecsys' supply chain management solutions, such as scalable perpetual inventory, significant improvement in labor management with system-directed putaway and picking, as well as unprecedented real-time visibility, LSL has realized the following benefits:



LSL also achieved the following:

- Increased workforce productivity and reached an optimal level of efficiency and picking accuracy.
- Increased customer satisfaction.

LifeScience Logistics continues to look for innovative ways to bring the best technology, quality and intellectual capital to its clients.

As a result, LifeScience Logistics migrated to Amazon Web Services (AWS) Cloud in November 2020 to enhance the Tecsys SCM solution and its ability to respond to issues in real-time, ensuring agility, and delivering a great customer experience. AWS provides a secure, flexible, efficient, and cost-effective commercial cloud services that enables automation and scaling of infrastructure, application resources, and IT capabilities to meet evolving application and user demand. By using AWS, LifeScience Logistics will be able to scale quickly, drive operational simplicity, and focus on its core business, while reducing the risks of resource imbalances from load volatility.

About **Tecsys**

Since our founding in 1983, so much has changed in supply chain technology. But one thing has remained consistent across industries, geographies and decades — by transforming their supply chains, good organizations can become great.

Our solutions and services create clarity from operational complexity with end-to-end supply chain visibility. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.

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