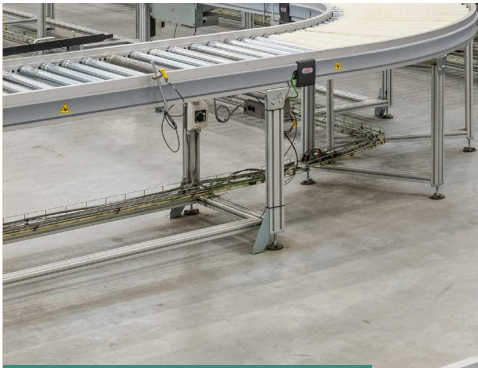
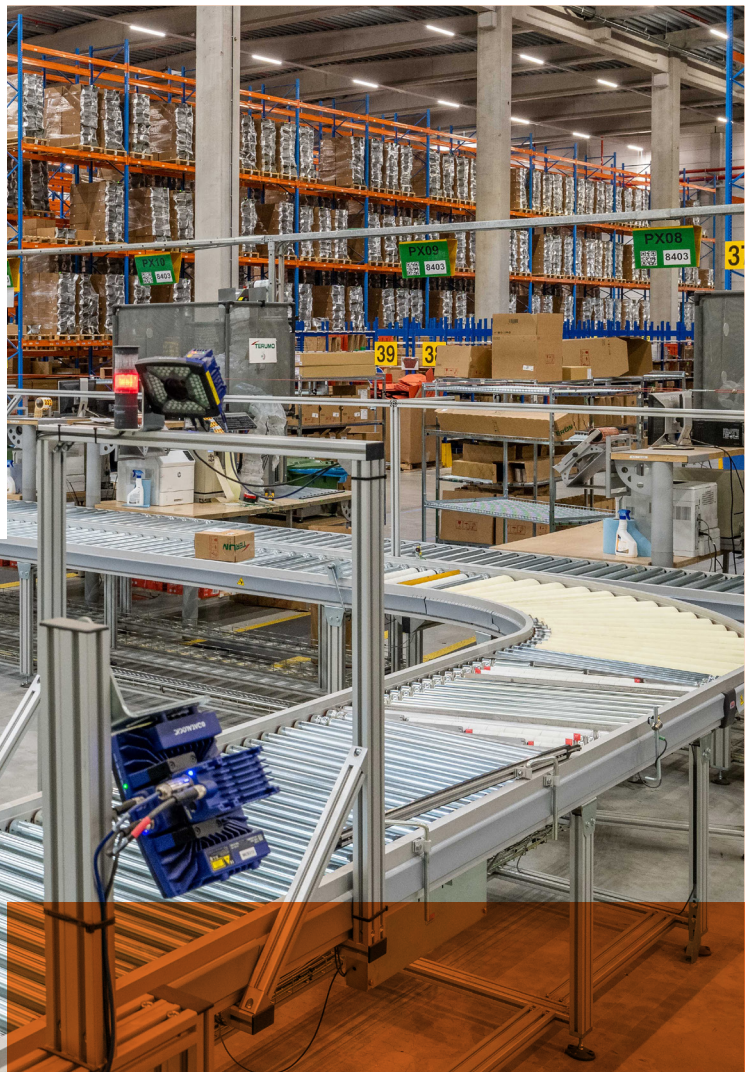




WDP

WAREHOUSES WITH BRAINS



WDP TREND REPORT

PHARMA & MEDICAL HEALTHCARE LOGISTICS:

IN MOTION MORE
THAN EVER BEFORE





TOGETHER WITH **EXPERTS
AND COMPANY LEADERS**
WE LOOK AT THE MOST
IMPORTANT TRENDS IN THE
WORLD OF **PHARMA AND
MEDICAL HEALTHCARE
LOGISTICS ANNO 2021,**
AND WE TURN OUR ATTEN-
TION TO THE CHALLENGES
OF THE NEAR FUTURE.

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INTRODUCTION

The logistics sector is constantly in motion - literally and figuratively. This is nothing new, but the speed with which the sector is evolving has accelerated significantly in recent years.

Stimulated by technological innovations and increasingly high consumer expectations, several trends have clearly emerged - trends which have a major impact on logistics real estate.

In this trend report, we will take a closer look at these tendencies, specifically at the developments within the Pharma, Healthcare and Medical Devices sector, a branch that plays an important role in WDP's portfolio.

JOOS
CEO W

A portrait of a middle-aged man with short, graying hair, smiling at the camera. He is wearing a dark green textured blazer over a light green button-down shirt and a patterned scarf. His arms are crossed over his chest. The background is a light blue gradient. A vertical green bar is on the left side of the image, partially obscuring the man's face and torso. The text 'T UWENTS' and 'DP' is overlaid on the green bar.

T UWENTS
DP

#1 COLD CHAIN:

THE NEED FOR LOWER TEMPERATURES RAISES THE BAR HIGHER AND HIGHER

The cold chain is a hot topic. Pharmaceutical companies are becoming increasingly exacting when it comes to the transport and storage of their products.

Warehouses that can maintain temperatures down to -80°C are no longer the exception. But the rest of the supply chain is also being more strictly controlled and more precisely monitored, all the way to the final destination - the customer's refrigerator or freezer.



MICHIEL HELLER

MOVIANTO | SITE MANAGER, THE NETHERLANDS

"The demand for more than one temperature zone is becoming an industry standard. Everyone in the world of Pharma and Healthcare Logistics is looking for just that."

4 EMERGING TRENDS

SECURITY & TRACKING:

THE CONTINUING QUEST FOR GREATER SECURITY

Safety and transparency are key words in the supply chains of 2021.

This creates an interesting contrast: Technological innovation makes it possible to secure and isolate the logistics chain more efficiently while, at the same time, the sector continues to strive for greater and greater ease-of-use.



THOMAS MORSHUIS

ALLOGA | MANAGING DIRECTOR

“Nobody tries to save money on supply chain security anymore.”

#2 **AUTOMATION & ROBOTICS**

OPENING THE DOOR TO GREATER EFFICIENCY

Ultimate efficiency: Will robotics ensure that it becomes a reality? Or will it remain unattainable - a dream that we will never be able to fully achieve? What we do know is that technologies, such as artificial intelligence and voice control, are becoming more and more commonplace and that the face of our warehouses is changing.

“

DAVID VANHUYSSSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

“When it comes to efficiency, there will always be room for improvements.”

#4 THE IMPACT OF BOOMING E-COMMERCE

Even in the pharmaceutical sector, e-commerce is undergoing explosive growth. Has this switch turned the traditional logistics model on its head now that manufacturers and consumers can find each other directly?



THOMAS MORSHUIS
ALLOGA | MANAGING DIRECTOR

“In addition to distribution via wholesalers and pharmacists, the direct delivery to patients and consumers will play an increasingly significant role.”

MEET THE EXPERTS

To map out these important trends, and their causes and consequences, we spoke with experts who know this fascinating world like no one else.

People who have seen with their own eyes how their industry has evolved in recent years, who know what today's priorities are, and who can give us a glimpse into the future.



ERIC VERLINDEN

FLANDERS INNOVATION | CLUSTER FOR LOGISTICS (VIL) – RESEARCH MANAGER

As a Research Manager at VIL, Eric Verlinden works every day on advancing innovation and sustainability in the logistics sector in Flanders.



MICHIEL HELLER

MOVIANTO | SITE MANAGER, THE NETHERLANDS

Movianto Healthcare Dedicated Logistics specialises in supply chain solutions, diagnostics, and medical devices. At the start of 2021, the Dutch National Institute for Public Health and the Environment (RIVM) chose the Movianto branch in Oss to handle the storage and distribution of all the corona vaccines for the Dutch market.



THOMAS MORSHUIS

ALLOGA | MANAGING DIRECTOR

Since 2016 Thomas Morshuis has been the Managing Director of Alloga, a pan-European specialist in supply chain solutions for Pharma & Healthcare manufacturers.



DAVID VANHUYSSSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

Terumo Europe is part of the Japanese Terumo Corporation. The company specialises in a wide range of medical devices for patients and professionals.

#1 **COLD CHAIN: THE NEED FOR LOWER TEMPERATURES RAISES THE BAR HIGHER AND HIGHER**

What would logistics in the pharmaceutical sector be without a specialised cold chain? The answer is clear: nothing.

Precisely controlled cold cells, ranging from room temperature to extreme freezing temperatures, are an essential link in the pharmaceutical chain and an indispensable part of the logistics real estate in the sector.



Nearly all our customers have several temperature ranges in their portfolios. This trend began years ago, and the demand for refrigerated storage will only continue to increase,” says Michiel Heller from the Dutch company Movianto that specialises in healthcare-dedicated logistics. The highly reputable company from Oss was chosen by the Dutch government to handle the storage and distribution of corona virus vaccines in the Netherlands. A complex operation that takes places entirely at temperatures of -75°C.

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MICHIEL HELLER

MOVIANTO | SITE MANAGER, THE NETHERLANDS

“Nearly all our customers have several temperature ranges in their portfolios. This trend began years ago, and the demand for refrigerated storage will only continue to increase.”



WHAT GAVE RISE TO THIS TREND?

Thomas Morshuis from Alloga agrees: Extreme cold cells are absolutely essential in today's world of Pharma and Healthcare Logistics. “The distribution of corona vaccines has made this specific type of cold cell front-page news, but, of course, they have been essential in our sector for many years now. Their significance continues to increase as does the demand for accurate temperature monitoring and precise control methods.”



THOMAS MORSHUIS

ALLOGA | MANAGING DIRECTOR

“The distribution of corona vaccines has made this specific type of cold cell front-page news, but, of course, they have been essential in our sector for many years now.”

Everyone in the world of Pharma and Healthcare Logistics is looking for cold cells. At WDP, this is more obvious than ever. But what is causing this increase in demand? According to Michiel Heller at Movianto, the answer can be found in recent market developments. “All over the world, we are seeing that new pharmaceutical products are being further and further refined. In order to distribute these specific products on a large scale, more and more specialised technologies are required. Refrigeration is, indeed, one of these technologies. On top of that, the market is internationalising at lightning speed, and that, of course, has an impact on the entire logistics process.”

And it is not only the pharmaceutical companies who are picking up on the increased demand for specific cold storage. For distributors of medical devices, such as Terumo Europe, temperature control is more prominent than ever before. “Strictly speaking, we are not a pharmaceutical company, but even for us, this is the most rapidly growing market,” explains David Vanhuyse from Terumo. “First and foremost, I think of products such as drug-eluting stents. Stents are small metal springs or tubes that are placed in the coronary arteries to prevent them from narrowing. Drug-eluting stents are tubes that contain medication. These devices require stricter storage conditions, resulting in the need for extra internal and external controls. There is no doubt that we will see these types of high-impact innovations more and more frequently in the future. The gulf between pharmaceuticals and healthcare keeps getting smaller.”



DAVID VANHUYSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

“The gulf between pharmaceuticals and healthcare keeps getting smaller.”

HOW LOW CAN YOU GO?

At cold chain specialist Movianto, everything happens in a temperature-controlled environment. This environment is maintained using various methods. “We offer quality and quantity: We have ultra-low freezer cells that go down to -80°C , and we have the largest capacity -40°C freezer cells in the European Union,” says Michiel Heller.

“But, of course, storage is only a small part of the logistics process. The products in question are delivered to us, stored, and then sent out for delivery again, always under precisely controlled refrigerated conditions. From our distribution centre, we dispatch frozen products to more than 200 countries throughout the world.”

Regardless of how extreme the requirements in the current cold chain are, it is only a question of time before the bar is raised even higher. “Temperatures up to -120°C , for example, will certainly be required in the future,” asserts Heller.



REAL ESTATE IS ALSO EVOLVING

The impact of the advanced cold chain on the logistics real estate in Belgium and the Netherlands is enormous. After all, the logistical port to Western Europe is on Belgian-Dutch territory - the Ports of Antwerp and Rotterdam. This gives the Benelux a leading role.

“This evolution demands enormous investments from our sector,” explains Heller. “Compare our warehouses now with those of ten years ago, and you will notice many significant differences. Of course, the number of cool zones has grown, there are temperature sensors everywhere, and the monitoring systems are much more advanced than they were just a few years ago. In the meantime, at Movianto, we have become genuine specialists. These investments are also logical. After all, these products directly impact the health of people. Guaranteeing safety is a top priority.”

“



MICHIEL HELLER

MOVANTO | SITE MANAGER, THE NETHERLANDS

“These products directly impact the health of people. Guaranteeing safety is a top priority.”

LOW TEMPERATURES, HIGH ENERGY BILL

The cold chain is taking on more and more radical forms and doing so in a world that is increasingly dominated by sustainability, ecology, and the pursuit of energy-efficient entrepreneurship. Can these extremely low temperatures be reconciled with the extremely high prices that we pay for them, namely in the form of the accompanying energy bill?

“The impact of our changing infrastructure on energy consumption is gigantic - we are aware of that,” explains Michiel Heller. “That is why we are currently looking at how we can tackle this together with WDP in the most sustainable way possible. The environment and ecology are very important parts of our identity; therefore, we want to do this in a responsible way. So, we look at the origins of the energy we consume, we install solar panels so we can generate energy ourselves, and we are very strict when it comes to the insulation of our warehouses. In addition to all that, a possible shift to more natural refrigerants, such as CO₂, is certainly one of the options.”



ERIC VERLINDEN

FLANDERS INNOVATION | CLUSTER FOR
LOGISTICS (VIL) – RESEARCH MANAGER

“As a Research Manager at VIL, Eric Verlinden works every day on advancing innovation and sustainability in the logistics sector in Flanders.”

TIME FOR THE GREEN SHIFT

According to Eric Verlinden from the Flemish institute for Logistics (VIL), this green shift may well be the most important challenge facing the logistics sector in the coming decade. “In the pharmaceutical sector today, we see that quality is at the top of the priority list, higher even than ecology and circularity. There is still a significant margin for focussing more on working on the environment, especially in the area of transport.

In real estate, we already are seeing very interesting shifts, and there is a strong degree of ecological awareness. For example, enormous efforts are being made in the insulation of all these cool cells. And increasingly, local energy communities are emerging for logistics sites, where energy generated by solar panels is consumed on site. Companies with an excess of energy then share their excess energy.

#1 COLD CHAIN

CONCLUSION

In the world of Pharma and Healthcare Logistics, an advanced cold chain is hot. While the bar continues to be raised, the temperatures keep falling.

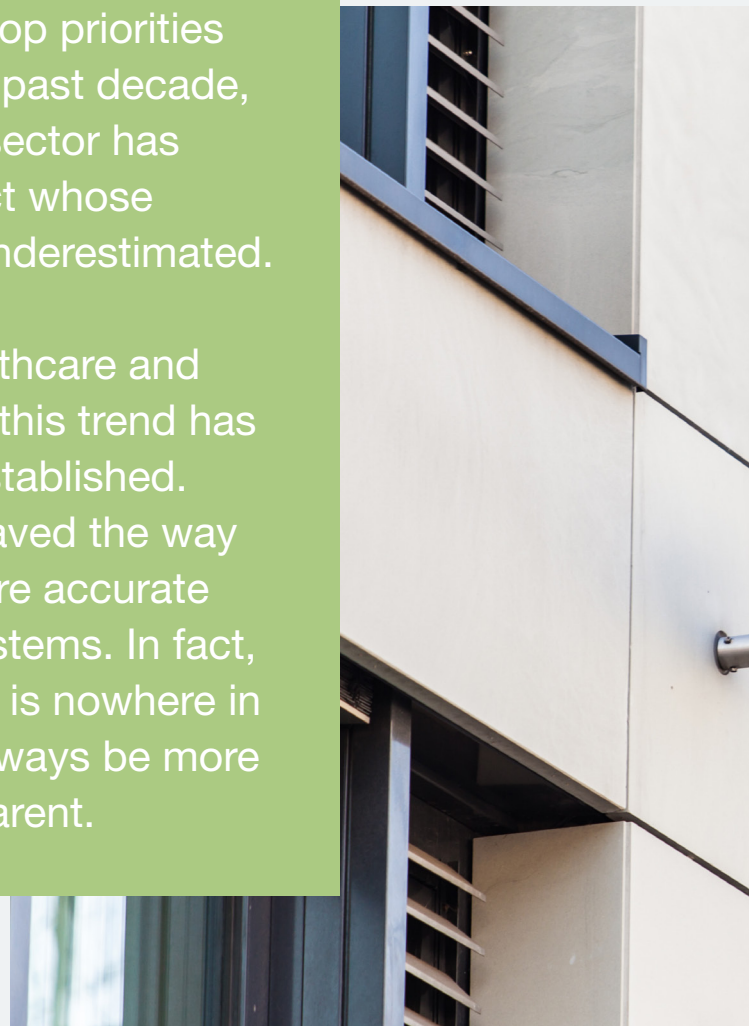
Innovative pharmaceutical products are becoming increasingly more specific, and the accompanying supply chains ever-more exacting. Logistics real estate in the Benelux has adapted to this new reality with lightning speed and is now preparing for the next big challenge: the greening of the energy-guzzling cold chain.

EXPERT INTERVIEWS

#2 **SECURITY & TRACKING:** **THE CONTINUING QUEST FOR GREATER SECURITY**

Safety first: Securing the chain is one of the logistics sector's top priorities in 2021. Throughout the past decade, security in the logistics sector has developed into an aspect whose importance cannot be underestimated.

And in the Pharma, Healthcare and Medical Devices sector, this trend has also very clearly been established. In fact, the sector has paved the way for more, better, and more accurate security and tracking systems. In fact, the end of this trajectory is nowhere in sight since things can always be more secure and more transparent.



GREATER SPECIFICITY MEANS GREATER EXPENSE

Where does this drive for more control and greater transparency come from? “It is the logical consequence of the changes in the market,” explains Thomas Morshuis from Alloga. “80% of the medicines on the market are becoming less expensive, but we see many specific medicines or treatments appearing that are incredibly valuable and must therefore be extra secured.”

“There are plenty of examples of introductions of extremely specialised, expensive medicines. Manufacturers increasingly specialise in and focus on ultra-specific disorders. Afterwards, the bill for those years and years of research and development must be paid.”

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THOMAS MORSHUIS

ALLOGA | MANAGING DIRECTOR

“Nobody tries to save money on supply chain security anymore. The impact on the logistics infrastructure and processes is enormous.”



Most recently, the storage and distribution of corona vaccines, which is handled in the Netherlands by WDP customer Movianto, is often used as an example of a medicine that requires extreme security.

“As a result of these corona vaccines, the security of our warehouses has become more relevant than ever,” confirms Michiel Heller from Movianto. “Even though, in this specific case, we are talking about extreme security measures that have been imposed and rolled out by the Dutch government.”

AVAILABILITY HAS A PRICE

At Terumo, the medical device distributor that was originally a Japanese company, they have also seen the market change. “We often handle high-tech products in high price categories. The example of the drug-eluting stents - innovative stents which contain medications - is a very good illustration of this.”

These types of innovations are exceptionally valuable, and their availability is limited. This combination raises the bar even higher. “Besides the price, the availability is also a decisive factor. The question that we were asked most often during this past corona year was “you can continue to supply us, right?” As early as the spring of 2020, it was already abundantly clear that the corona crisis was putting significant pressure on the supply chain. The blocking of the Suez Canal, not even one year later, just took the whole situation to the next level.”



MICHEL HELLER

MOVianto | SITE MANAGER, THE NETHERLANDS

“As a result of the corona vaccines, the security of our warehouses has become more relevant than ever.”

SECURELY LOCKED UP

Heavily secured safes, security cages for specific customers, smart cameras, and sophisticated identification systems and access controls... It is no longer an unnecessary luxury to heavily protect warehouses and supply chains. There are hardly any laws governing security requirements for warehouses, so each company does what it can and what it deems necessary to protect their premises, using extra resources and extra manpower. What up until just a few years ago was considered extreme security is now the absolute minimum.

The entire chain is more securely locked up, but who has the key? In the Pharma & Healthcare Logistics sector, the times when truckers simply walked into the warehouse when making a delivery are long gone. Those who are permitted to enter are thoroughly screened in advance. These strict security standards have had a significant impact on the HR policies of logistics companies.

“To protect our warehouses, we hired extra people - and we are extremely careful about who we hire,” is the policy of Terumo Europe. “A clean criminal record, of course, is the minimum requirement. But we are also currently seeing screenings that were introduced by the airline industry after 9/11 turning up in the road transport sector and even in the rest of the logistics process.”

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DAVID VANHUYSSSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

*“To protect our warehouses, we hired extra people
- and we are extremely careful about who we hire.”*



TRANSPARENCY THROUGH TRACKING

Manufacturers are striving to incorporate greater certainty and transparency into the logistics chain. The track & trace systems that have become the norm in B2C are actually still in their infancy. In an ideal world, both the sender and the receiver can see where a product is located at any given moment. This goes much further than scanning a container or a pallet. Consignors want to know everything about every single package 24/7.

First and foremost, the package's location is accurately determined. But, during the journey, other factors are also of crucial importance. That is why temperature loggers are already being used which can generate a read-out upon the product's arrival and which can report any temperature fluctuations retrospectively. The next step is a system that can report this data in transit and in real-time and do so for each individual package. Processes like these are a reality today, albeit at a smaller scale.



TIP OF THE ICEBERG

Is real-time track-and-trace data the new gold standard? “In any case, what we are seeing is just the tip of the iceberg,” says Thomas Morshuis (Alloga). “In the future, we will shift to tracking that follows the entire trajectory of a pharmaceutical product, all the way to the pharmacists’ stockrooms or, even further, to the actual use of the product by the patient. This leads you, for example, to blister strips that produce a signal when the pill is actually being pushed out.

Knowledge is power - as a manufacturer this is the only way to really map out a medicine’s efficacy. The next step is a payment model in which patients pay according to effectiveness instead of quantity.”

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THOMAS MORSHUIS

ALLOGA | MANAGING DIRECTOR

“In the future, we will shift to tracking systems that follow the entire trajectory of a pharmaceutical product, all the way to the pharmacists’ stockrooms or, even further, to the actual use of the product by the patient.”

#2

SECURITY & TRACKING

CONCLUSION

Never before has safety had such a prominent place in the supply chain as it does today. In a sector such as Pharma and Healthcare, this shouldn’t come as a surprise.

Medicines and medical products are increasingly being developed for highly specific target audiences, which makes them exceptionally valuable. The interests have never been greater, and so the supply chain is locking itself away from the outside world ever more securely. The investments in warehouses and the logistics chain are clearly visible, but they are still just the tip of the iceberg.

#2 AUTOMATION & ROBOTICS

OPENING THE DOOR TO GREATER EFFICIENCY

How far-reaching are the possibilities of automation and robotics in the Pharma, Healthcare and Medical Devices logistics chain? And is a warehouse run completely by robotics realistic, overambitious, or simply irrelevant?

In any case, the race to greater efficiency is as swift as an arrow, and the finish line is nowhere in sight.



STANDING STILL IS GOING BACKWARDS

The range of technologies on offer that can increase the productivity of our work is virtually endless. And even more important: the threshold to these technologies just keeps getting lower. Technology is becoming more accessible and more affordable. “The high wages in Belgium oblige us to continuously search for greater efficiency,” explains David Vanhuyse (Terumo). “Continuous improvement is an essential component of our philosophy, as it is for everyone in the logistics sector. We must continue to keep up with the trends. If we can’t do that, we lag behind.”

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DAVID VANHUYSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

“Automation is gaining momentum, and companies who get ahead of the trend can make all the difference. We must ensure that we don’t miss that boat.”



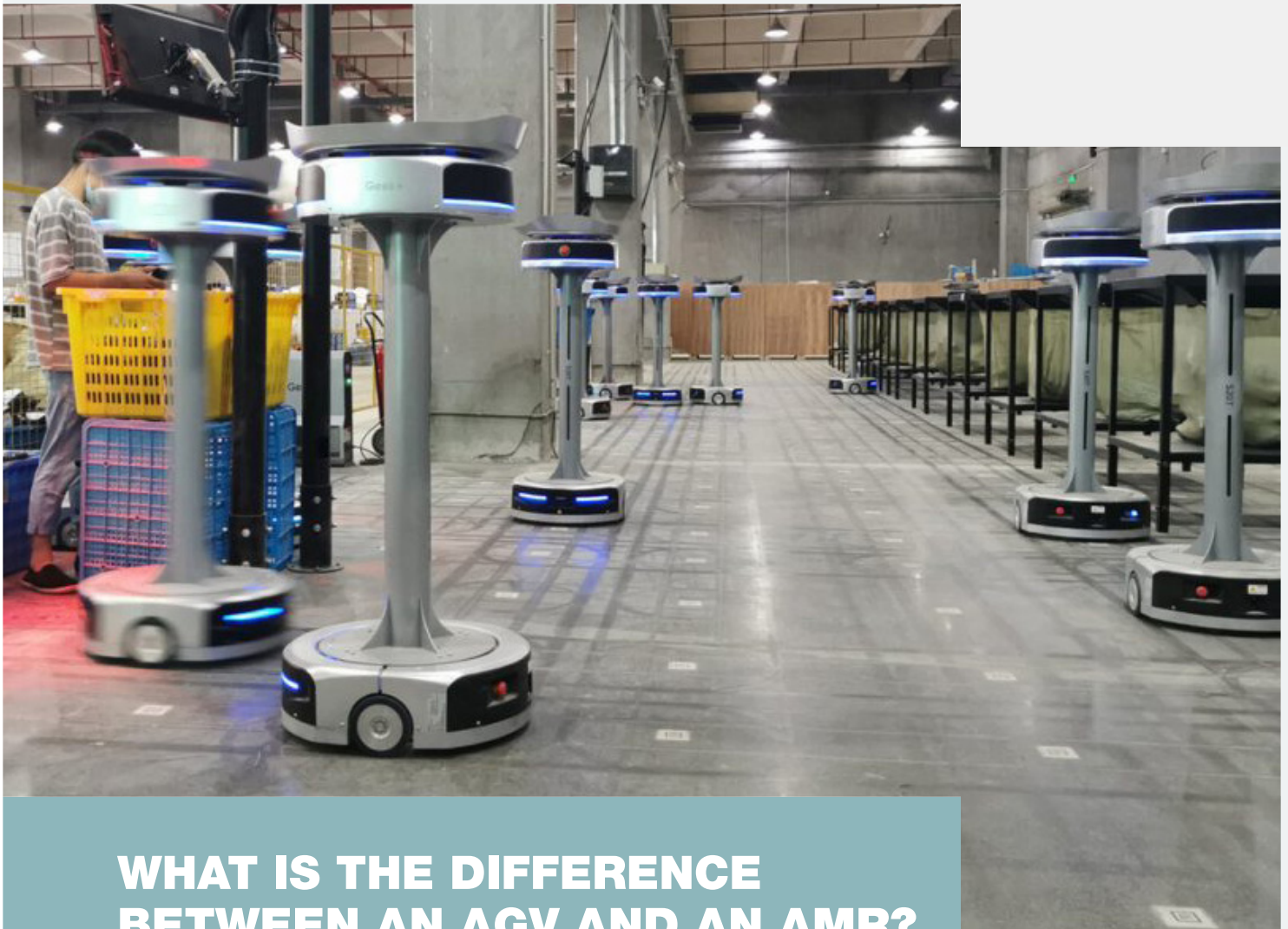
In recent years, Belgian companies have made great strides to maintain their positions as frontrunners.

“The possibilities are enormous, so it is impossible to pursue every avenue. We experiment with various technologies and investigate what can add real value to our enterprise.”

Advancements such as self-driving vehicles, automatic order pickers, smart scanning systems, artificial intelligence and even Google Glasses, are all on our radar.”

HYBRID SYSTEMS

“It is all about finding the right combination of technologies. We must create hybrid systems that perfectly fit the needs of our company. The one-size-fits-all principle is no longer relevant; you have to search for the ideal combination. In the case of Terumo, for example, this is the Autonomous Mobile Robots (AMRs) with voice picking. At the moment, we are also working with automatic conveyor systems for the loading and unloading of trucks. The goods are moved on conveyor belts to exactly where they are supposed to be.”



WHAT IS THE DIFFERENCE BETWEEN AN AGV AND AN AMR?

AGVs and AMRs are both self-driving vehicles that move from point A to point B in a warehouse. But that is where the similarities end. AGVs are automated guided vehicles - by definition, they are guided, by sensors for example. AMRs, on the other hand, go a step further. They are autonomous mobile robots - they guide themselves on the basis of routes generated by their built-in software. It is almost certain that, in the long-term, AMRs will dominate the market for self-driving vehicles for logistics purposes.

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DAVID VANHUYSSSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

“The one-size-fits-all principle is no longer relevant; you have to search for the ideal combination.”

“Of course, efficiency is of vital importance,” confirms Michiel Heller from Movianto. “The market pressures definitely play a role in this, but it is not the only motivation. Regardless of these pressures, striving for efficiency is crucial if you want to be the best in your field and if you want to optimise your service provision. At Movianto, we aim to be Number 1 - that is our greatest motivator for working more efficiently.”

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MICHIEL HELLER

MOVIANTO | SITE MANAGER, THE NETHERLANDS

“The research phase we are now in is the first step on a long journey.”

“There is no shortage of opportunities for automating processes and sub-processes. Our Research & Development Department is running at full capacity studying this potential and ensuring that we make the best choices.

We can also see our neighbouring countries, where they are already a step ahead in this field. Then, we must ask ourselves: Is this technology actually suitable for use here at home? Automatic order picking and packing is used in France and Germany much more than it is here in the Benelux. These processes are highly dependent on the type of packages, on the scale at which this work is done, on the customers, and the list goes on. The research phase we are now in is the first step on a long journey.”

SOFTWARE REPLACES RAILS

Technology to automate logistics processes is more present than ever before, but at the same time it is less visible in our warehouses than it used to be. Rails have been replaced by smart software, and vehicles work online and steer themselves.

“The introduction of the current systems is less complex than it was for the large technical installations from the recent past. And that only increases the return on investment,” says David Vanhuysse. “After a year or two, the investment can already be paid back - a big difference when compared to the 5 to 10 years needed in the past.”



WHERE IS THE LIMIT?

Is automation on its way to completely banishing the human factor from our warehouses? That is the question we have been asking for decades now.

And in various companies and sectors, the answer has been 'yes'.

Yet, in our Pharma and Healthcare sector, that scenario does not seem to be becoming a reality just yet.

"We are convinced that the human factor is and will remain essential," asserts David Vanhuysse. "We believe in the combination of people and technology to make our processes more flexible and more efficient, with technology as a supporting factor. Issues, such as detailed inspections of pharmaceutical goods, are too important to be carried out by machines. That is why we work with an internal Quality Department that, entirely independently, checks the supply chain."

"We also attach great importance to social contact. We see the social factor as a key element in our employees' well-being. We want to employ people who can be proud of their jobs and who derive fulfilment and pleasure from them.

We do not want to lose that human aspect."

#3 AUTOMATION & ROBOTICS

CONCLUSION

Automation is the key to maximum efficiency; everyone seems to agree about that. But what does that mean for the logistics companies in the Pharma and Healthcare sector? The answer to that is more difficult to pin down. Because if one thing is clear today, it is that every organisation has its own vision and approach to robotics and automation.

The big challenge for the future is to seamlessly fit all the pieces together, matching the enormous range of innovative technologies to the needs of each company. Keeping a finger on the pulse is crucial to being able to quickly and effectively capitalise on the continuously growing expectations of the customer.

Whoever drops the ball, even for a minute, will be mercilessly outrun by technology.

EXPERT INTERVIEWS

#4 THE IMPACT OF BOOMING

E-COMMERCE

In recent years, e-commerce has seriously shaken up the traditional supply chain. Has this explosive growth also caused a shift in the world of Pharma, Healthcare and Medical Devices?

In any case, the customers have rounded a corner and adjusted their expectations: Everything must be more direct, more specific, and more personal. And, if possible, more energy efficient.



Saying that e-commerce is doing well is a serious understatement. According to figures from The House of Marketing and SafeShops, in Belgium alone more than 20,000 e-shops opened in 2020, good for a total of 48,000 online shops. With the corona crisis as an extra boost, the total number of transactions in 2020 surpassed the 100-million mark.

The final figure came it at 107 million, an increase of more than a quarter in comparison with the year before. In the Netherlands, too, the number of online purchases made in 2020 rose by 27%.

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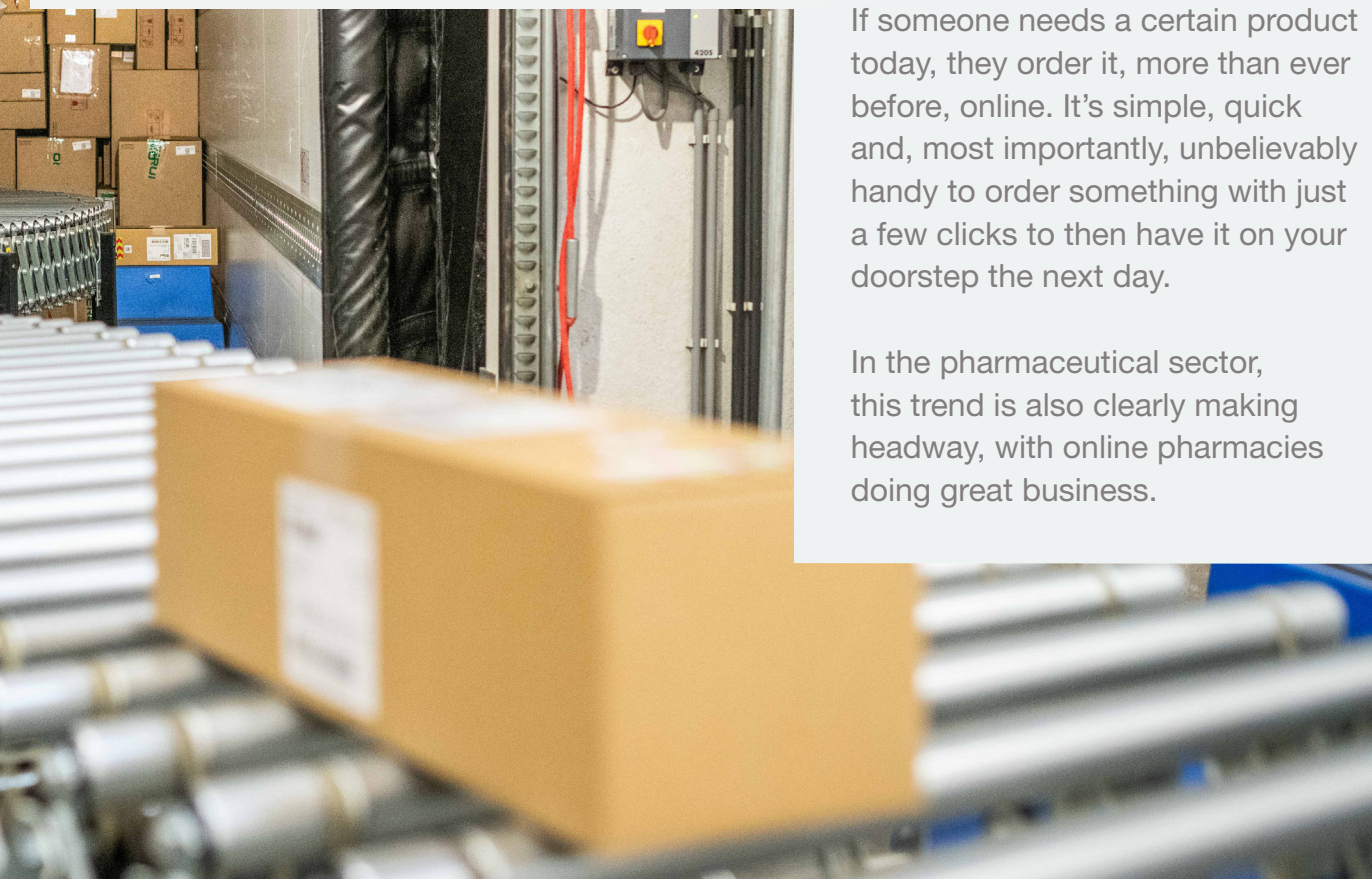
DAVID VANHUYSSSE

TERUMO EUROPE | EUROPEAN
DISTRIBUTION CENTER MANAGER

“Specification is becoming the norm. In the area of service level segmentation, there is still an incredibly large margin for providing customers with even better service.”

If someone needs a certain product today, they order it, more than ever before, online. It's simple, quick and, most importantly, unbelievably handy to order something with just a few clicks to then have it on your doorstep the next day.

In the pharmaceutical sector, this trend is also clearly making headway, with online pharmacies doing great business.



ON OUR WAY TO DIRECT-TO-PATIENT DELIVERIES?

Are we on our way to a system in which patients make purchases directly from manufacturers, like what we see in other sectors, such as fashion? “In any case, specification is the new norm,” says David Vanhuyse (Terumo). “In the area of service level segmentation, there is still an incredibly large margin for providing customers with even better service. The customer wants to make choices him- or herself. It is our job to offer these choices - quick delivery at a time of his or her choosing or at the lowest price. That is a major, and truly fascinating, challenge.”

Yet, direct at-home delivery to the patient is still a long way off, according to Vanhuyse. “The medical world is simply not set up for this. The transport and storage of pharmaceutical products is much more complicated than that. We can’t just simply adapt it to the B2C model.”

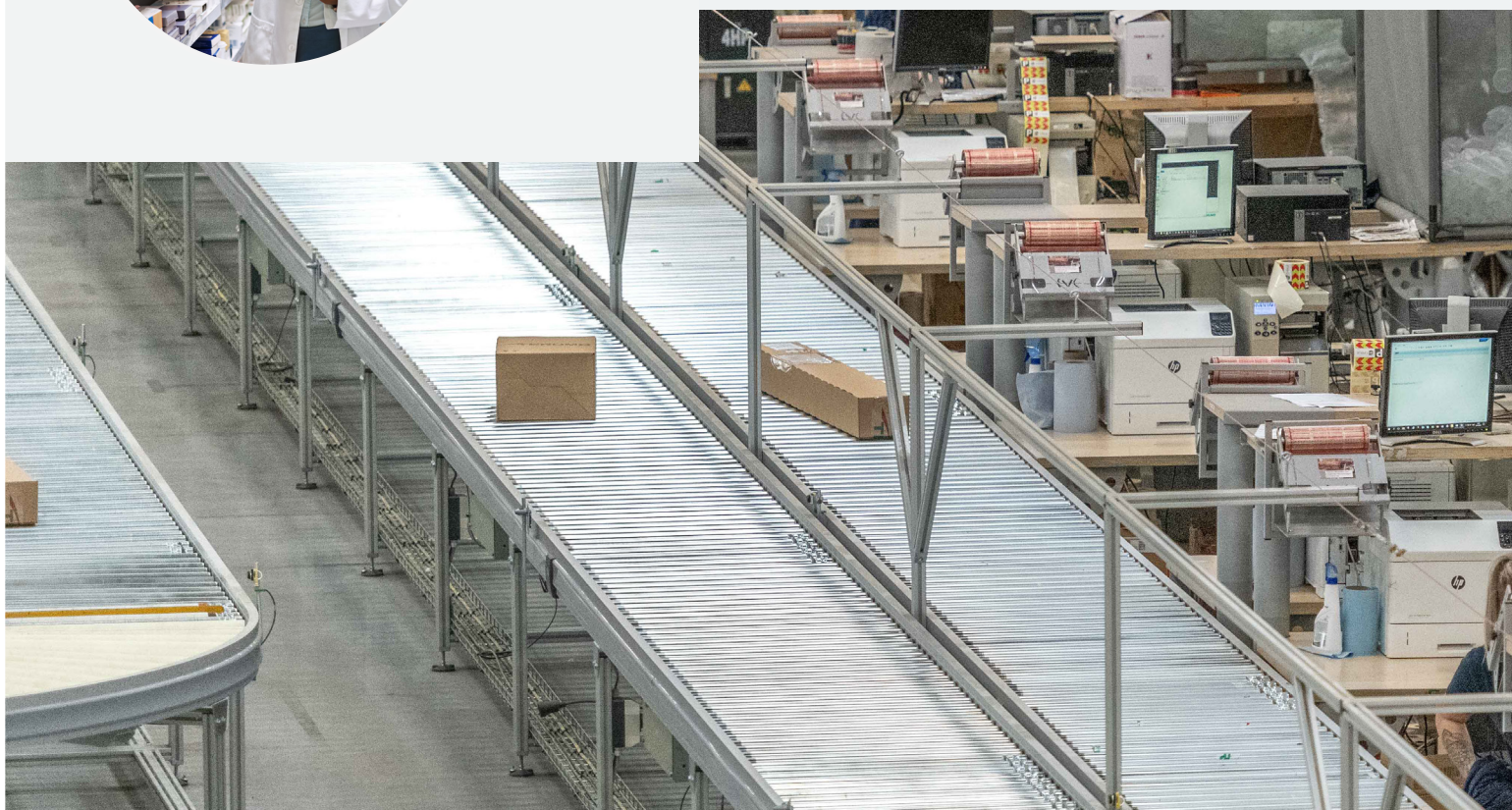
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DAVID VANHUYSE

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*“The customer wants to make choices him- or herself.
It is our job to offer these choices.”*



E-PHARMACIES ON THE HORIZON

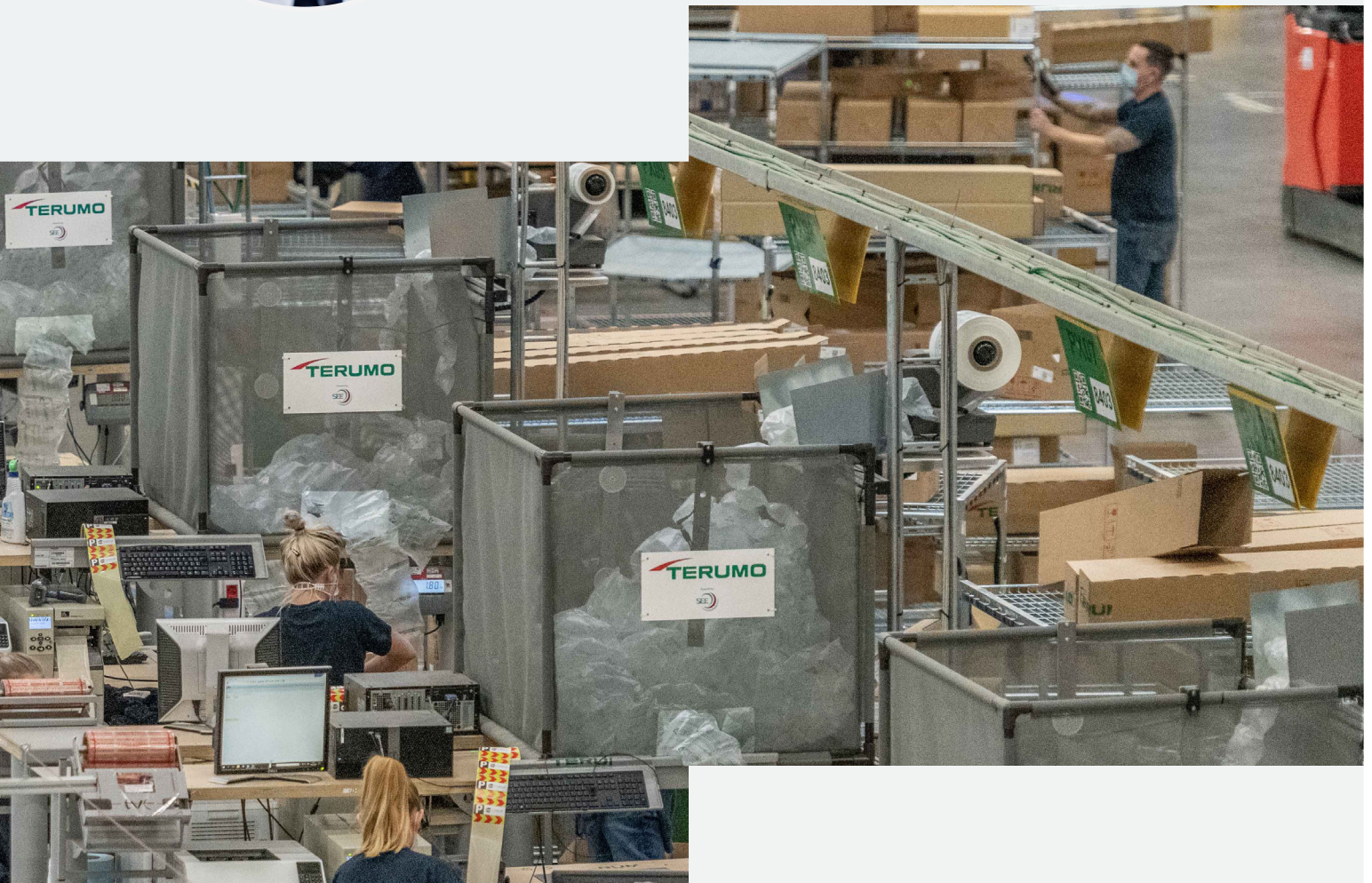
Michiel Hellers from Movianto agrees: “The trend is clearly present, but it will be a while before we can speak of a true shift to e-commerce in the world of pharmaceuticals. There are numerous issues that complicate the direct ordering by and delivery to the patient. Consider, for example, the specific storage conditions required for certain products, medical prescriptions, or the fact that a professional must be present during some treatments. Patients who purchase medicines online directly from the manufacturer? I don’t see that happening on a large scale any time soon.”

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THOMAS MORSHUIS
ALLOGA | MANAGING DIRECTOR

“The role of pharmacists as intermediaries is changing. But traditional pharmacies will not disappear. I think that we will end up with a combination of direct B2C models and pharmacists in the communities.”



Thomas Morshuis from Alloga believes in a combination of online and offline. “The enormous growth of e-commerce is a trend that is manifesting itself all around us and which will unavoidably also end up here. The role of pharmacists as intermediaries will change. Online pharmacies offer many advantages to the consumer, and that will ultimately be the deciding factor.

It is faster, and the range of available products will increase significantly this way, including space for lifestyle. The fact that some products must be stored cold need not be an obstacle. Deliveries in refrigerated safes to designated collection points is already perfectly feasible.

If, in the future, the possibilities are expanded even further, then the continued growth of e-commerce will be unstoppable. But traditional pharmacies will not disappear. I think that we will end up with a combination of direct B2C models and pharmacists in the communities that, for example, can also perform health checks in addition to supplying medicines.”

A LOGISTICS REVOLUTION IS BREWING

How great will the impact of a booming e-commerce market be on the logistics infrastructure in the pharmaceutical sector? In the transport sector, in particular, it could come to a revolution. After all, specialised deliveries require vehicles that are adapted to the goods and to the delivery locations. A large truck that drives from warehouse to warehouse does not belong in a crowded city centre. Small delivery vans, on the other hand, are not equipped for products that are highly temperature sensitive.

Optimising that logistics process may be the greatest and most interesting challenge of all. The transport sector is already working hard to reinvent itself in order to meet the demands of the boom in e-commerce. The sector is facing a gigantic challenge, both in area of mobility as well as ecology.

For the time being, the influence of last-mile delivery and electric vehicles remains limited but, with time, it will only grow. The Pharma and Healthcare sector has no option other than to jump aboard this train.



#4 E-COMMERCE

CONCLUSION

The chance that the spectacular growth of e-commerce will quickly take root in the Pharma, Healthcare and Medical Devices sector seems small. But the fact that customer expectations have radically changed is as clear as a bell.

A more personal and direct approach, with a logistics chain that revolves around the end user, is therefore inevitable.



CONCLUSION

No matter how much has changed, accelerated, expanded, and simplified over the past decade, we are still just at the beginning of the real (r)evolution. The world of Pharma, Medical Devices and Healthcare logistics turns at lightning speed, and the impact of the most important trends in the sector is clearly visible in our warehouses. Stimulated by an increasingly segmented market, specialised cool cells, with temperatures meticulously monitored and managed, have claimed their places in the distribution centres. And it does not seem that they will give them up any time soon....on the contrary.

As this trend continues to develop and the sophisticated refrigeration technology manifests itself in the rest of the logistics chain, a new challenge is clearly gaining ground. Because the greatest transformation is yet to come: the transformation to a completely green, energy-neutral cold chain.

In a market which continues to specialise, the value of specific products and treatments is rising, and these interests are becoming greater and greater. We see new needs arising, and stricter security is undoubtedly the most important of these. Today, security plays a central role in the Pharma and Healthcare Logistics sector, and that role will only continue to grow. An aspect like safety will not be economised on in 2021. Even more than that, the upper limit for investments in innovative control systems, stricter safety measures and far-reaching tracking technology is nowhere near in sight.

In the meantime, increasing automation is changing the face of the logistics chain. In warehouses, people and self-driving vehicles work next to and with each other. Complex technical systems have been replaced by accessible, easy-to-use software. The range of technology offered is so enormous that companies are compelled to make the correct hybrid combinations to come to the perfect end result, which will make their activities even more efficient.

It is impossible to say with any certainty how these trends will continue to progress. But the world of Pharma and Healthcare Logistics will continue to evolve, that much is certain. Doing so means the sector can realise its ultimate goal: staying healthy.



WDP

WAREHOUSES WITH BRAINS

WDP NV/SA
Blakebergen 15, B-1861 Wolvertem
T. +32 (0)52 338 400
info@wdp.eu | www.wdp.eu

 www.facebook.com/WDPwarehouses

 [@WDP_EU](https://twitter.com/WDP_EU)

 linkedin.com/company/wdp

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