

Abstract

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): Impact of kpi's on supply chain management (scm) in pharmaceutical industries competitiveness

The Pharmaceutical global supply chain (GSC) is driven by a constant need to respond to government requirements; customer traceability mandates, global sourcing from low cost countries, smart border requirements; delivery in a Just-In-Time (JIT) manner. Logistics; supply chain management (SCM) are thus expected to play a key role in GSC; contribute dramatically to productivity growth of Pharmaceutical firms over the next years. For the last decades, the North American (NA) Pharmaceutical Manufacturing sector has been focusing on developing internal innovation activities, such as high quality products; R&D. The current focus is shifting more towards supply chain level activities such as delivering the product to the end customer at the right time, right place, in a secure mode; at a competitive operational cost. The top three factors that drive a company in the Pharmaceutical industry to implement a lean strategy are Pressure to Improve Operational Performance, Inventory Reduction; Shorter Order Cycle times. Operational performance could be directly linked to logistics; SCM costs while the inventory reduction; the demand to decrease shorter order cycle time are related KPI such as to Just-In-Time (JIT), supply chain agility; inventory turns. Measurement of logistics; supply chain management (SCM) key performance indicators (KPI) is an essential part of the agile supply chain concept. It is estimated that 37 percent of North American (NA) firms that have put in place logistics; SCM KPI corporate wide measurement applications have achieved a decrease of 15 percent more in shipment delays compared to only 7 percent of firms that did not measure those KPI consistently. While inventory turns is the main KPI for evaluating supply chain agility, logistics cost KPI allow firms to evaluate the efficiency of their logistics; SCM operations. The combination of supply chain agility; efficient SCM practices is key to long term competitiveness; prosperity of firms in a global supply chain (GSC) context.