

## Pharmaceutical Packaging Case Study



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*MD Logistics provides a pharmaceutical company with packaging services for sample and trade products*

## **Background**

A major manufacturer of insulin products and devices moved its North American distribution from Cranbury, New Jersey to Plainfield, Indiana.

## **Challenge**

The move compounded the daily expense of converting trade products to a repackaged sales sample detail since the vendor(s) remained located in central New Jersey. The company was forced with escalating transportation expenses, product exposure to inclement weather, increased cycle times, and the management of five separate vendors.

## **Why MD Logistics is the Solution**

MD Logistics and the client company entered into a five-year contractual agreement which includes:

- Temperature-controlled facilities with FDA compliance standards
- Procurement of all marketing-style packaging materials and components
- Temperature-controlled and monitored transportation between DC and MD Logistics
- Pharmaceutical packaging, repackaging and/or kitting processes to convert products to a sample detail
- Maintain and manage list and lot control integrity with accessibility to the client
- Product and supplies storage

Each day, MD Logistics receives up to 25,000 units of various components to be repackaged per the manufacturer's job instructions. Temperature-controlled products (2-8 C) are pulled to the line in minimal quantities so as to limit product exposure outside the refrigerated trailer to a maximum two hours.

The product is repackaged/kitted, auto-labeled with list and lot numbers, hand-packed into shippers, item description-tagged, palletized and returned to the DC at job completion. All details of the process are quality tracked and recorded in a precision data system.

MD Logistics' quality control director over-see the regulations and requirements of FDA and the customer. The QC director has written the MD Logistics procedures in every detail of the operation, including tracking of temperatures, cleanliness of the building, and product redress processes.

Adding value, MD Logistics maintains strategic partnerships with high volume, specialty carton and labeling printers. With local and regional procurement capabilities, the insulin manufacturer relies on MD Logistics to plan requirements based on annualized product forecasts and just-in-time delivery to keep inventories low.

The director of logistics for the client explained, “This was a partnership from beginning to end. We did it together, every step of the way – the building, the quality people, the process...We even outlined the specs for MD Logistics...We’d never done this kind of thing before...We learned a lot from this experience. We found the benefits of working with a smaller organization.”

## **Results**

MD Logistics has reduced the insulin manufacturer’s vendor coordination from five to one, dedicated local refrigerated equipment to/from daily operations, eliminated long haul, full truck load expenses, significantly reduced repackaging/processing fees resulting from capacity and labor proficiencies, reduced product and supplies storage fees, and reduced procurement expenses associated with specialty and shipper cartons. Total annual savings to the client is more than \$350,000. Additionally, cycle times have been reduced from 21 days to daily production and immediate accessibility to pipeline inventories.

## **Benefits to the Client**

### *Cost Savings*

The client’s director of logistics listed among the benefits the ability to save under a single vendor: “In New Jersey, every product manager was doing cartons. In Indiana all of the work is completely under one vendor for production of the boxes and printing of materials.”

The client identified further savings accrued by eliminating the costs of trucking between New Jersey and Indiana, and the ease: “We save on time and energy expended.”

### *Quality Control*

“The quality requirements are very tedious and detailed,” the client explained, “There can’t be a missing vial. The tracking and documentation must meet all the required FDA, GMP and GDP expectations.”

MD Logistics’ quality control director summarized, “MD Logistics must account for every component, every needle, every drug container, and all literature and promotional items that must be packaged for shipping.”

MD Logistics proven advantages are significant cost savings and reduced cycle times. Additionally, the client has complete access to records pertaining to quality control, processing, distributions and storage. The client also retains absolute control and final approval of the identity and marketing messages for each of its products.

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