

Pharmaceutical Warehousing Zone Case Study



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Speedy response characterizes the relationship between MD Logistics and a Major Pharmaceutical company

Background

Continued growth forced a major pharmaceutical company to re-evaluate its North American warehouse capacity requirements and business processing priorities. Its immediate response was to consider outsourcing sales sample distribution or re-locating the process from its Midwest distribution center in Indiana to its East Coast operations in New Jersey. The founders/owners of MD Logistics convinced the company that MD Logistics' rapid response capabilities were up to the task of securing environmentally-controlled facilities in Central Indiana to fulfill their pharmaceutical warehousing needs. This effort would prevent the pharmaceutical company from the costly disruption of an East Coast relocation. Ten days after making the challenge, MD Logistics had executed favorable lease terms for a 45,000 square foot, pharmaceutical-compliant warehouse and begun receiving products.

Challenge

As the pharmaceutical company's pipeline increased product offerings, sample inventory requirements grew as well. The growth coupled with new industry regulatory and compliance mandates necessitated additional sophisticated capacity.

As a result, MDL relocated into an expandable, state of the art, 78,000 square foot facility in Plainfield, Indiana and signed a long-term contract with the pharmaceutical company. The agreement was extended twice to accommodate facility expansion to a total of 183,900 square feet.

As Dave Kiebach says, "We truly wake up to the morning and to home at night believing we are (this company's) employees. The partnership strength comes from open doors, books and minds that covet success."

Later, the vice president of global logistics for the pharmaceutical company, advised MD Logistics of the company's intent to close the East Coast Distribution Center in New Jersey. Consistent with the closure date, it was necessary to have 'ready' facilities to relocate refrigerated products to. With a firm handshake on a seven-year commitment, MD Logistics went to work.

Why MD Logistics is the Solution

"MD Logistics did a phenomenal job on a very aggressive timeline," stated the vice president of global logistics. "They became a part of our company's team...strategically, tactically and operations-wise...to get up and running and with certification....they enabled us to make our productivity goals and provided impeccable customer service."

“The unusual part of this relationship was the timing,” stated the director of the pharmaceutical company’s warehousing. “There was a very short window of time within which to accomplish this project.”

With a finite objective, MD Logistics executed a new 312,000 square foot facility which includes:

- A 20,000 square foot racked refrigerator
- Temperature/humidity-controlled and monitored space
- Sophisticated video surveillance and security systems
- Local, state, and national pharmaceutical drug licenses and certifications
- Systems integration with the pharmaceuticals company

Results

Through a trusting collaboration, MD Logistics and the pharmaceutical company entered into a multi-faceted, bilateral long-term agreement for product storage, order fulfillment, cross-dock and global distribution services for both trade and sample products.

In order to further benefit the business relationship, MD Logistics and the pharmaceutical company completed Phase I and Phase II of the Warehouse Management System deployment objectives for disaster recovery, redundancy and control in the Plainfield facility.

Benefits to the Client

Relationships

“The engagement of Mark and Dave and their people who feel really part of our company, makes them truly a business partner,” explained the vice president of global logistics. “They are very creative and very responsive.”

Speed

MD Logistics’ response time earned the pharmaceuticals company’s business and provided the client with facilities and fulfillment services without skipping a beat in the pace of its production and distribution. The director of warehousing commented, “The location of MD Logistics next to the airport gives us the flexibility to take advantage of FedEx services.”

Compliance

MD Logistics’ understanding of the Pharmaceutical Drug Marketing Act and thorough approach to problem-solving provides its client company with worry-free compliance in its storage/distribution operation.

Trackable Records

MD Logistics’ technological capabilities provide for complete records of temperature/humidity levels of product storage and security surveillance should the pharmaceuticals company ever be questioned.

If you are looking for pharmaceutical warehousing, [please tell us a little about your needs.](#)