

Press release

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More efficiency in complex supply chains

Digital supply chain optimisation as the basis for flexible, fast and sustainable procurement of pharmaceutical packaging

New forms of therapy and dosage, increasing individualisation – and enormous time pressure at the same time: complexity along the entire value chain is increasing together with the challenges in the pharmaceutical and healthcare industry. This also has a significant impact on the procurement of packaging. Nils Höpker, Head of Logistic and Demand Management Operations EU at packaging specialist Faller Packaging, explains in an interview how digital supply chain solutions can help to tackle this complexity and make processes faster, more cost-efficient and more sustainable.

Mr. Höpker, the pharmaceutical and healthcare industry has become one of the most important global growth markets in recent decades. Nevertheless, the industry is rather conservative when it comes to trends such as digitalisation and networking. Why is that?

In the past, the production of pharmaceuticals and the procurement of the relevant packaging were relatively easy to plan, because batch sizes were large, item variety was low, ordering cycles were regular, and lead times were sufficiently long. However, this has been changing for some time now, because the variety of products and variants is increasing rapidly due to more and more forms of therapy and dosage as well as the trend towards more individualisation. Population growth and demographic change are creating a growing demand for medications and healthcare products. At the same time, manufacturers must also bring their new developments to market much faster if they are to gain an advantage over the competition. All these factors are pushing the industry's conventional processes and structures to their limits.

The digitalisation of the supply chain holds huge potential for overcoming these challenges and making production and logistics processes faster, more efficient, more reliable and more sustainable. However, many managers in the pharmaceutical and healthcare industry are only now becoming aware of this. Often,

August Faller GmbH & Co. KG
Freiburger Straße 25
79183 Waldkirch
Germany

Phone +49 7681 405-0
Fax +49 7681 405-110
info@faller-packaging.com
www.faller-packaging.com

Your contact for further information:

**a1kommunikation
Schweizer GmbH**

Christian Beckenbach-Sülzle
Oberdorfstraße 31A
70794 Filderstadt
Germany
Phone + 49 711 945416140
cbs@a1kommunikation.de

August Faller GmbH & Co. KG

Kerstin Löffler
Vice President Marketing &
Corporate Communications
Freiburger Straße 25
79183 Waldkirch
Germany
Phone + 49 7681 405-0
kerstin.loeffler@faller-
packaging.com

people are unaware of the opportunities and possibilities of the digital supply chain, or they simply fail to fully grasp the scope of the topic. We're talking here about considerable time and cost savings from which companies can benefit.

"Digital Supply Chain" – that sounds quite futuristic. How do you see this functioning in practice?

Digital supply chain means that all the elements of a supply chain – the flows of materials, products, people and information – are digitally networked, from raw materials to retail customers. In our case, this means that we work much more closely with pharmaceutical companies than before and optimally coordinate all our relevant processes. The basic prerequisite for this is to capture, store, analyse and share all the relevant data that's generated in the course of value creation. This results in processes being better understood and coordinated, information being used at an early stage, and conclusions being drawn for capacities and scheduling.

For example, we can use forecasts and historical order data to purchase materials early, prepare tools and plan our production accordingly. In turn, pharmaceutical manufacturers can evaluate batch records from their suppliers, for example, and improve the efficiency of their packaging systems with information on material properties. The result: significant improvements along the entire process chain, enabling manufacturers to save time and costs in equal measure.

Faller Packaging has so far played the role of a supplier of pharmaceutical secondary packaging. How does your company support pharmaceutical manufacturers in digitalising their supply chains?

First of all, it's important to identify a customer's specific optimisation potential in advance. We do this as part of an in-depth supply chain analysis. We also offer modular supply chain consulting with different service modules. Data analyses and recommendations for action help customers to independently optimise their processes and generate savings. Training courses heighten awareness of how to manage the increasing complexity of today's supply chains. Companies also receive a detailed action plan and specific savings calculations during on-site processing and data mapping. This creates a partnership-based collaboration with a high level of transparency that makes the procurement process significantly more efficient, cost-effective, dynamic and faster. We assume an operational costs savings potential of around 20%, depending on the application.

If you could see the future, how would the digital supply chain look in your ideal scenario?

In the future, pharmaceutical companies and packaging manufacturers will ideally be long-term partners who have created the foundation for a transparent, comprehensive and continuous

data exchange through technical solutions. They can both share this information to capture, visualise and effectively manage the increasing complexity of the supply chain. This will largely be done automatically from a central platform and will integrate all the manufacturing sites involved – including those of third-party suppliers. Between order and delivery, a continuous, information-driven process has been created, one that permanently controls and optimises itself in real time – an intelligent, networked and digital supply chain.

We're currently focusing a great deal on this topic and have already compiled extensive information about it on our website at <https://www.faller-packaging.com/en/services/digital-supply-chain>, where we have an explanatory film and a white paper, for instance. In this way, we offer a particularly good point of contact for companies that would like to take a closer look at the digitalisation of their supply chain. At our virtual roadshow in June, this topic will also be an important item on our agenda. You can find out more about this event and the registration on our website at: <https://www.faller-packaging.com/en/current/exhibitions-and-events/live-online-event-sustainable-packaging-concepts-for-the-pharmaceutical-industry>.

Meta-Title: Digital Supply Chain: Faller Packaging Interview with Expert Nils Höpker

Meta-Description: How digital solutions can make packaging procurement more efficient for the pharmaceutical and healthcare industries.

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Photo 1: Digital supply chain solutions help to make pharmaceutical packaging procurement faster, more cost-efficient and more sustainable.



Photo 2: Complexity along the entire value chain is increasing together with the challenges in the pharmaceutical and healthcare industry.

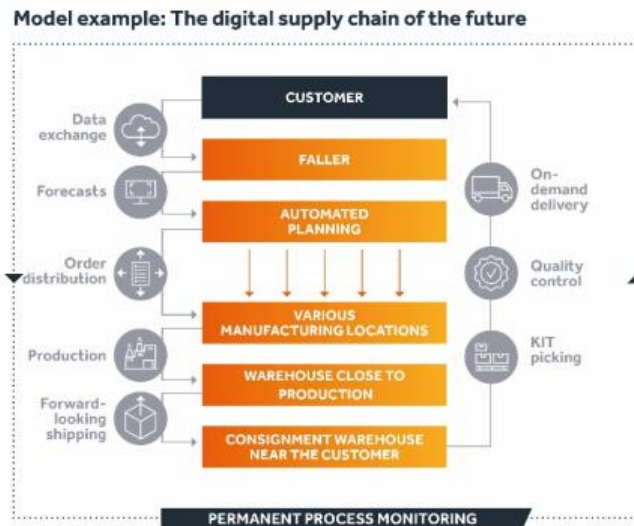


Photo 3: In the future, pharmaceutical companies and packaging manufacturers will ideally be long-term partners who have created the foundation for a transparent, comprehensive and continuous data exchange through technical solutions.



Photo 4: Nils Höpker, Head of Logistic and Demand Management Operations EU at Faller Packaging

About Faller Packaging

For more than 30 years, Faller Packaging has specialised in tailor-made, full-range solutions for secondary packaging materials for the pharmaceutical industry. The company is a single-source supplier that develops and manufactures folding cartons, package inserts, labels and combination products and delivers both standard products and special solutions based on customers’

wishes. Digitalised, optimally harmonised processes ensure maximum efficiency, sustainable production and fast, reliable delivery times. In addition, Faller offers customised logistics services and supply chain concepts. As a result, the company is an expert partner for everything relating to the procurement and packaging of pharmaceutical and healthcare products.

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In addition to its headquarters in Waldkirch in the German state of Baden-Wuerttemberg, Faller Packaging also has sites in Binzen, Großbeeren and Schopfheim as well as in Hvidovre in Denmark, Łódź in Poland and Debrecen in Hungary. The Worms-based subsidiary PackEx, which was founded in 2018, specialises in the manufacture of folding cartons in small and very small batches. In total, August Faller GmbH & Co. KG has more than 1,300 employees