Interview: Bart Coenen – Senior VP Contract Logistics; Vincent Coolen – Global Quality Lead Healthcare, DB Schenker, The Netherlands



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DB Schenker's Bart Coenen (BC) and Vincent Coolen (VC) explain the company's Vision 2020 and talk about the benefits for pharma companies of outsourcing their supply chain.



In 2013, DB Schenker announced the company's Vision 2020. Can you please elaborate on this vision?

BC: This strategy is about being an eco-pioneer, a top employer and a leader in our market. The vision had a major impact in terms of restructuring on the European part of our organization. Previously, we had four European regions with 36 country organizations. As a result of the program, we now operate with one EU region and ten clusters. Vision 2020 is headed by our global board including our new CEO Jochen Thewes, who originally kicked off the restructuring program in November 2015. The new cluster set-up went into full effect on February 1st, 2016. The new

structure and approach will change the way we act towards the market; there will be more direct communication within the organization and it will be easier for us to do business, and for our customers to do business with us..

Healthcare is among the last industry sectors to largely embark on the outsourcing trend for logistics and supply chain management, but it stands as a very promising market for logistics companies. What opportunities does DB Schenker see in the healthcare industry specifically?

VC: Nowadays, quality has become an important element in healthcare logistics, which seems to exceed the scope of product shipments. As a result of quality agreements we have with our customers, significant responsibility shifts to us as a service provider, which means that we often become responsible for risks associated within the supply chain. In addition, healthcare is growing rapidly and thus, industries are equally developing. In the Asia Pacific region for example, we are experiencing huge growth at the moment. Whereas on a global scale DB Schenker has been active in the healthcare industry for a long period of time, we decided to establish a vertical market approach in healthcare only a few years ago. By building the Tilburg healthcare hub, we reacted to the trend of being able to provide more holistic supply chain solutions that go beyond freight and distribution. Especially in the healthcare industry, where companies are fairly reluctant to outsource due to the nature of their products, clients need to be assured that we have the capabilities to take care of their business. As a result, our quality and compliance departments are often involved during the first contact for new projects. What’s more is that healthcare clients want to audit our capabilities before they enter into a relationship with us, which is unlike any other market segment that we operate in.

This new approach also changes the way we operate as a company. As DB Schenker, we had to organize ourselves on a global scale to meet customer expectation. As a consequence, we now have a global quality council of fourteen people, which consists of pharmacists, quality managers with an industry background and 6 sigma blackbelts. In addition, every site has its dedicated quality management team assessing customer requirements and subsequently finding the most appropriate solutions. In short, we had to align our customer’s requirements and DB Schenker’s solutions accordingly.

This alignment took place on a global scale with a team that is not only sharing knowledge but also setting up procedures and blueprints that are applied in each and every site that we operate. While initially, the investments we have to make cost a lot of money, they ultimately pay off because we are able to offer the appropriate level of services to our customers.

DB Schenker recently completed the construction of its brand new healthcare hub in Tilburg. What were the challenges and main areas of focus when conceiving this facility to ensure it would be optimally tailored to meet the specific logistic demands of the industry?

BC: The healthcare hub is the third DB Schenker hub in this industrial estate here in Tilburg. In one of the other hubs we already have long-standing experience with medical companies, in particular medtech organizations. As we experienced growth in that market, we identified an opportunity to build on our expertise, also bringing on board pharmaceutical companies. This however required a great investment in order to ensure that our potential pharmaceutical clients would be able to audit our facilities, systems and processes. Listening to the market at the time, it became very clear that we would not be able to compete if we were not able to show what we could offer.

Thus, we decided to build a business case internally in 2012 and soon after, the strategic decision was taken to build the entire infrastructure around our healthcare hub here in Tilburg, which opened in 2014.

In order to attract new clients, especially from the pharmaceutical industry, our main focus has been to prove our business case with initially attracting more medtech companies because we were able to demonstrate our experiences with them.

Once the business was running, processes and workflows become more tangible, which made it easier to attract clients from the pharmaceutical sector.

Building the infrastructure for projects like the Tilburg healthcare hub is a massive undertaking. Looking ahead, would you consider inviting pharmaceutical companies to jointly build such facilities?

BC: We consider the basic warehouse infrastructure to be our responsibility. If we consider more specific needs that need high investments, this option is open for debate.

More exceptional requests, for example providing a warehouse-sized minus 20°C freezing facility is something where we would need to consider to share the risk e.g. by either entering a long-term contract or a joint agreement about said investment.

VC: Besides building particular infrastructure, we sometimes experience specific requests, for example customization or late stage labeling and packaging of products.

This so-called ‘postponement’ process consists of receiving unlabeled products and only labeling and/or packaging them once it’s known to which markets these products will be shipped. You can only fulfill this request if you have a manufacturing license, which we have here in our Tilburg healthcare hub.

What are the ambitions of DB Schenker for the five upcoming years in the Dutch and European markets and what differentiates you from your competitors?

VC & BC: What sets DB Schenker apart is the dedication of our people who deliver high quality as well as our value-added services, such as postponement services including the packaging and labeling of products. Furthermore, we are currently deciding on the final details for our clean room environment in this facility in order to offer serialization services when this becomes mandatory in Europe. While for innovative pharmaceutical companies these value-added services are of increasing relevance, we are also able to move a lot of volume, which is more applicable for generic pharmaceutical companies. Furthermore, we realize that companies in the healthcare and life science industry suffer from increasing cost pressures. Gradually, these companies realize that outsourcing their supply chain will result in the same quality at a better cost level – a trend that we certainly see continuing in the future.

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