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Closing pharmaceutical supply chain vulnerabilities using a "Made in America" strategy for pharmaceutical packaging

Whether in peacetime or pandemic times, the case can be made for more American manufacturing in our global pharmaceutical supply chain. Manufacturing more products domestically could help prevent supply disruptions while improving product quality and national security, and closing supply chain vulnerabilities across a wide range of critical products is a priority for both the private sector and the US government.

Our business provides printed folding cartons and pharmaceutical contract packaging (such as bottling, blistering, vial labeling, and kit packing) and has enjoyed working on projects for a wide range of healthcare products, including over-the-counter medications, medical devices, animal health products, and generic pharmaceuticals. Pharmaceutical packaging may account for only a fraction of the price of a drug product, but if done improperly, it can impact the entire supply chain and, most of all, patients in need of their medications.

During my thirty-five years in the packaging business, I have come to realize that packaging involves more departments than any other component purchased by our customers, including engineering, product design, operations, regulatory, and marketing. I have witnessed the "pride factor" of workers in these departments that results from making a quality product and presenting it to their customers.

Over the last three decades, the US saw an exodus of manufacturing jobs, as products were outsourced and offshored. It's easy to understand why companies were attracted to the low wages, reduced facility costs, and lax environmental and safety

regulations afforded by moving manufacturing overseas. As a result of this exodus, however, the US-based packaging and printing industry has experienced major consolidations and plant closings during the same period. Offshoring may have increased sales and profits, but over time, companies' ability to respond to market conditions, innovations, and controls on the supply chain have been sacrificed.

We have understood for some time the impacts of offshoring on jobs, the middle class, and the manufacturing multiplier. Reports from the Manufacturing Institute indicate that each dollar's worth of manufactured goods creates another \$1.34 of value elsewhere in the economy. What we did not understand was the impact offshoring would have on the "pride factor" of the American workforce. When you remove manufacturing from the supply chain, you lose long-term and loyal employees. You also lose a sense of community and identity that can separate your products from the competition.

The Covid-19 pandemic has exposed the vulnerability of the US healthcare supply chain. Offshored products have left the country in a dangerous position. Our own position as a family-owned US business has allowed our customers a measure of trust in their supply chain that they would not have had working with an international conglomerate or venture capital firm.

Reshoring to prevent critical drug shortages will take the deliberate, combined effort of government and private industry. Covid-19 is not the only factor requiring the US pharmaceutical industry to be more responsive. Newer, biologic drugs derived

from microorganisms or animal, human, or plant cells tend to be heat and humidity sensitive, requiring specialized packaging. It makes sense to do this packaging closer to the point of distribution in facilities that specialize in meeting such requirements.

Like many packagers, we are rapidly investing in our business to ramp up for increased demand. This means more automated equipment, more packaging lines, and more front-line packagers. We are hopeful that we are making the types of investments that will be most useful to the pharmaceutical industry, so the companies we work with as well as their customers will consider us a vital link in America's pharmaceutical supply chain.

As "Made in America" becomes prominent in pharma again, we must understand that, as we grow, so do our associates and suppliers. This growth contributes to career development for associates, a more robust supplier tree, speed to market for our customers, the health of our communities, and efforts to reduce the industry's carbon footprint. Perhaps equally as important from our perspective is that "Made in America" will help reshore the "pride factor" to American workers. T&C

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