

SAVING LIVES



It might sound dramatic but some aspects of the handling chain are literally critical to saving lives. Handling life sciences materials requires not only special equipment but also complete understanding of the product and full accountability to the shipper. David Bang is the Chief Executive Officer of LifeConEx, the logistics provider of end-to-end temperature controlled transportation solutions for the life sciences Industry worldwide. He speaks to us:

LifeConEx – a joint venture between Lufthansa Cargo and DHL Global Forwarding – has the raison d'être to be expert in integrating all supply chain partners to ensure the proper storage, handling and distribution of temperature-sensitive medical products. The aim is to deliver shorter cycle time, fewer temperature excursions and less damage.

The 50:50 joint venture attracts life sciences clients worldwide. These are pharmaceutical companies, biotech companies, diagnostic companies and those that specialise in medical devices, laboratory work and clinical trials. The thrust of the business is that LifeConEx has to deliver its clients' sensitive products not only to schedule and to the right location but also in the right condition.

Why the need for this service? Every fifth drug is temperature-sensitive, points out the company. \$130 billion of the total pharmaceutical market (about \$650 billion) is represented by temperature sensitive products and the share of temperature-sensitive products will rise over the next few years. Further, nearly 100% of all vaccines and 68% of all products sold by biotech companies need to be stored and transported between +2°C and +8°C; and 43% of all diagnostics and about 11% of all products from large pharmaceutical companies have to be handled with the same precautions.

DHL and Lufthansa Cargo formed the joint venture in 2005, not to exploit capacity, but to invest together in an under-served market. "We work with over 45 different airlines and operate in lots of different airports around the world," points out Bang. "Our target, and our main goal, is to make sure that temperature sensitive pharmaceutical products are delivered in a safe manner. Now, when I say 'safe manner', the definition is actually quite different from the usual meaning."

By way of background, Bang goes on to explain that the process of perfect transportation and handling of life science products does not solely depend upon the purchase of insulated containers to keep the temperature between 2°C and 8°C for 96 hours. "Of course those 96 hours is not a reliable measure as it depends on where you leave the box for 96 hours," points out Bang.

He explains: "The shipper puts a data logger – which is a sort of thermostat – on the consignment and then, later on, the consignee downloads the data onto his computer and reads it. Now, logistically from a border perspective, airline perspective and ground handling perspective, everything could have gone perfectly to plan, but when the consignee downloads the data there still might be temperature issues." Bang points out that, with certain products, a pharmaceutical company will say that a product is damaged if the temperature of the product falls below zero for even 30 minutes.

When it comes to shipping pharmaceuticals, planning is the name of the game. "When we prepare our swine flu vaccination distribution around the world, we ask: 'What is the safest and the best way to transport this? Which airline will we work with? And what kind of packaging will we use? Our expertise is in combining the skills of the airlines with border control requirements and also the needs of pharmaceutical companies and the products offered by packaging engineers."

Bang points out that it is very easy for a ground handler to store a shipment carried in insulated packaging in the wrong conditions – perhaps a refrigeration facility kept at a constant +5°C – which could potentially lead to the product being compromised through freezing if the insulated container is put in that refrigerated warehouse too early. But all is not lost if the right expertise is available at the right time to recover the situation. "Just because a product was stored in the wrong conditions doesn't mean that there was a service failure right away," says Bang. "There is always time to play with – time for LifeConEx to intervene."

However, he says about 36% of claims in this area is related to temperature; also to blame are handling delays and aircraft or packaging issues. Other issues relate to a lack of integrated door to door management, a lack of temperature monitoring, inconsistent documentation and insufficient tracking and tracing.

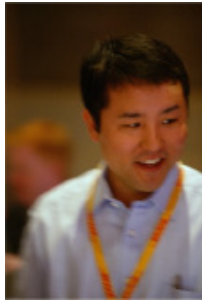
By way of facts, Bang tells us that 40% of the world's freight (by value) is transported by air and approximately 5% of cargo volume is perishable – a very small proportion of which is pharmaceutical. “The volumes are small, but the value is tremendous,” he says. “In fact, a container of pharmaceuticals can be worth up to \$5-6 million.” Of course the products have to be packaged, transported and stored correctly in order to maintain their value.

Bang points out that the US Vaccines for Children Programme is a billion dollar programme, and about 1.1% of the value of these products is lost due to shipping and temperature issues.

The bottom line is that if an airline cannot deliver a pharmaceutical company's products, the pharmaceutical company will lose market share. “One customer told us that his blockbuster is worth a billion dollars a year. If I get to my customers one day late, it's a million dollar loss. So it is not just the product value that is important, there are all kinds of losses that can actually occur.”

Bang concludes: “The guidelines and processes are important. People are important. Training and equipment are critical.”

DAVID Y. BANG CEO, LifeConEx



David is passionate about his job at LifeConEx, surrounded and supported by diversified and highly competent “LifeConExers” who are dedicated to connect “People” with “Life” in day to day tasks and every single shipment at a time. Prior to his appointment, he had served as a founding member and Sr. VP Business Development & Implementation of this supplier-neutral start-up founded in 2005. 3 out of 4 H1N1 FDA approved vaccine producers around the world choose LifeConEx to distribute millions of doses globally, seamlessly and securely.

David has been with the industry over 13 years holding multiple increasingly responsible positions in global contract acquisition, implementation, sales, finances, IT, and strategy. He is an author of many articles published in relevant trade and technical magazines and a frequent speaker at various logistics and life sciences conferences worldwide, advocating for reduction of risk, elevated ROI, and ultimate patient safety.

ABOUT LifeConEx

LifeConEx offers peace of mind as the only industry-specific, end-to-end cold chain management solutions provider for the life science industry worldwide. With oversight of the entire global landscape, LifeConEx designs and orchestrates the shipment process end-to-end proactively and reactively, assuring the integrity of your product's desired condition. You will experience shorter cycle times, a reduction in temperature excursions, and far fewer damages than typically experienced by shippers. LifeConEx it & Live your Life.

LifeConEx is supply chain party neutral (airlines, forwarders, truckers, packaging, and technology).



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