Interview: Eduardo Tapia – Senior Director, Life Science and Healthcare, DHL Mexico



11.06.2015

Tags: DHL, supply chain, logistics, distribution, transportation,

Eduardo Tapia explains how big changes in the distribution landscape are transforming the industry, reveals how the life sciences sector has been positioned as a global priority for DHL, and why the talent of their employees is what differentiates them from their competitors.

Can you tell us about DHL's positioning in the Mexican market and give us an assessment of you performance in 2014 and recent growth drivers?

DHL Supply Chain is the third-party logistics (3PL) leader in Mexico for the life sciences healthcare industry. 2014 was a very good year for us. Within our sector we were able to add four customers to our portfolio. We have also witnessed organic growth with our current customers, allowing us to increase our facilities and distribution network.

As part of our 2020 strategy, the life sciences sector has been positioned as a global priority for the group this year. The Mexican market is globally one of the top eight countries for DHL Supply Chain in life sciences, accounting for one-fifth of our annual turnover in the country. Our growth strategy is very focused on emerging markets. Our efforts are being directed to help medical devices companies and drugs manufacturers improve their supply chains.

Can you tell us about DHL´s portfolio with regards to the Mexican healthcare industry?

In Mexico, we manage all products for our customers in the healthcare industry. Supply chain management services such as: clinical trials, warehousing and distribution of medical devices. We also manage controlled substances, promotional material and medical sample logistics, product packaging, cold chain management and hospital logistics. Our facilities comply with the regulatory framework established for the handling of drugs and secondary packaging. We have five dedicated warehouses, representing more than 75,000 m2, and employ over 1000 experts in the healthcare sector. DHL Supply Chain distributes annually more than 65 million medical units and manages around 55,000 product codes.

We have a very balanced portfolio with around 60 percent of our customers working in the pharmaceuticals sector and around 40 percent in medical devices. We continue to work on both areas, where we can provide a very solid infrastructure.

What is DHL Supply Chain´s competitive advantage in terms of offering the best possible transportation and logistics service?

We have more than 17 years of experience in the healthcare industry and currently provide logistics solutions to more than 35 customers. We are the only company in Mexico that can offer integrated end-to-end logistics solutions.

What is the company’s strategy for ensuring a consistent customer experience around the globe?

One of the main targets we are pursuing at DHL is to continue with our standardization approach, simplifying the life of customers. We have a global approach to simplify and standardize the performance management of all the operations around the globe, in order that our customers have the same metrics all over the world. We have the tools to review the maturity of our operations, where we can provide our customers an objective view of where we are and where we can be together. We share best practices with countries that face similar challenges to those we encounter locally. Most importantly, we understand that our customers always expect DHL to be one step ahead in the area of quality and compliance.

As part of the foreword for our last report, José F. Nava, President, DHL Supply Chain Latin America, told us how Mexico has blossomed in the healthcare arena, becoming an important partner for the US. How important is Mexico’s strategic position as a gateway between North and South America?

Mexico acts as an important international hub in the manufacturing of drugs and medical devices, in particular for companies seeking to establish production systems within the Latin American market. Mexico is competing to be the best option for the distribution of drugs and medicals devices to the South American market as well as to Europe, Asia and the USA.

Specifically in medical devices, the combination of cheaper manufacturing costs, and the growing tendency to settle in countries that provide the best level of cost-efficiency, has seen Mexico become very competitive. The goal of bringing production closer to consumer markets, helping to reduce logistics risks and improve the speed of response in the service, are factors that are transforming the shape of the Mexican health service industry.

What are the main challenges and opportunities in this constantly evolving market?

The Mexican healthcare industry is undergoing a transformation, adapting to new realities. The rapid expansion of services and the increasing pressures on costs of all segments of customer service, are affecting the current supply chain model.

We are focused on constantly reviewing the needs of our customers. In particular, we are developing a transportation network aligned to our customers' needs. This allows us to bring added value to our customers, helping them to face new challenges.

Today we are managing multiple challenges and priorities. Our global presence is creating supply chain complexities and providing us with the need to enter new markets. The patent cliff is increasing cost pressure, and intensifying regulation is driving the need for compliance and control. Manufacturers are, as a result, are exploring new solutions for their supply chains. DHL Supply Chain offers a rich experience in the industry and the use of best practices to combat the challenges facing the healthcare supply chain. By implementing programs such as load consolidation, optimization of the delivery network and shared distribution, we can deliver significant benefits to our customers, helping to achieve a better healthcare system for all.

What are your ambitions for 2015 and beyond?

The Mexican market is very important for DHL Supply Chain. As was mentioned by the CEO of Deutsche Post DHL, Dr. Frank Appel, on his last visit to the country, in the coming years, we will be investing around 300 million dollars in several projects that will help us increase our logistics capacity in Mexico.

We are confident that 2015 will be a positive year. We will continue working closely with our clients in the healthcare sector, helping them to face supply chain challenges. Working with them in order

to achieve their business goals.

We are also confident that 2015 will be a very good year for Mexico. We expect to see the economy picking up speed in different industrial sectors, presenting greater business opportunities for DHL Supply Chain.

In terms of talent management, how do you attract and retain the right people at DHL?

Globally, last year DHL Supply Chain launched its main talent management strategy. It has been named CSCS, (Certified Supply Chain Specialists) where we will guarantee to our 200 thousands employees around the world the right tools, knowledge and skills to offer our customers a great service. Our employees are the most important asset that we have. It is what differentiates us from our competitors. In Mexico we will be training our eight thousand employees by the end of 2016.

We are facing three main challenges in attracting the right talent in Mexico. We are looking for committed people that have the required work culture. As a company we also place a great deal of importance on language proficiency. Given that we manage international logistics across different geographies, we require bilingual people. In a large country such as Mexico, a willingness to move across the country in the search of a job is likewise important. We do sometimes have difficulties in finding the right talent in the required regions.

In Mexico, our goal is to be the employer of choice. We review annually our work culture, conducting employee opinion surveys. The current trend is very positive, we have improved by four points on last year’s numbers. This is something we are working really hard on.

What do you find most rewarding working at DHL?

At DHL, We are really committed to our customers, listening to their needs and helping them to achieve their business goals. Our expertise is in offering integrated logistics solutions, allowing us to position ourselves as a key strategic partner for our clients. The sector is very challenging but also very rewarding. We have the opportunity to interact directly with our customers. Running the life sciences operations of our customers, we feel as if we are making an important contribution to their ever day life. Each product we transport will arrive at the right time, in the right condition, for somebody that is in need of it.

Click here to read more articles and interviews from Mexico, and to download the latest free pharma report on the country.

See more interviews