



Christer Ottosson, Group Manager Apoteket's transports

## “Improvement is the core of our cooperation”

**Apoteket's business concept is to inspire and help people towards a healthy life. This includes providing Sweden's citizens with pharmaceuticals and its own healthcare products. A relatively large part of the company's sales are to geriatric care centers, hospitals and other care facilities and is also carried out via the Internet and post order. Sonat plays a central role in the work with driving and developing all these logistic flows.**

“We have gotten control of the logistics, reduced the number of transporters and simplified our transport administration,” says Christer Ottosson, who is group manager for Apoteket's transports.

Previously, transport procurements and accompanying administration was carried out locally in the Apoteket organization, which resulted in thousands of invoices, insufficient cost controls, lack of quality and a time consuming, unstructured working method. Clear proof of the efficiency of the cooperation is that during the first year the number of transport invoices was reduced from over twelve thousand to twelve per year at the same time that the number of transports was reduced from almost 500 to a little over ten.

“During the year our cooperation has developed very positively,” says Christer Ottosson and emphasizes that the deregulation of the pharmacy market, which was initiated in 2008, will place additional demands on an efficient logistics and goods flow in Apoteket's operation.

The majority of analysts think that the large European players, Celesio and Alliance Boots will contribute to stronger competition in the Swedish pharmacy market in different ways. And in all certainty, efficiency in the supply chain will be one of the most important competitive resources of the future.

### **Basis for structural conversion**

Christer Ottosson explains that in total, the cooperation with Sonat means that Apoteket has gotten a more professional transport department.

“Sonat plans and carries out Apoteket's transport pro-

curement, planning, operation and development. Our own role is to be the party that actively places demands and has the ultimate responsibility for logistics.

Christer Ottosson calls Sonat a “competence partner” and a “flow integrator”. He summarizes the benefits of the partnership in the following way:

“The cooperation means that we have increased our possibilities to measure our total service level and delivery quality at the same time that we have created conditions to make changes in our flows. In turn, this has contributed to our being able to implement an extensive structural conversion of our local dosage pharmacies and remote pharmacies.

### **Development competence and personal chemistry**

According to Christer Ottosson, the basis for the successful cooperation is a combination of a high level of development competence and well-functioning personal chemistry.

“In principle, we have daily contact, and every month we have a joint operations meeting where we review the past months and what is supposed to happen in the future. The ambition of the cooperation is to constantly develop and improve the logistics and transport flows.”

“Improvement is the core of our cooperation. There are many players that can drive processes. Sonat's strength is the ability to develop, improve and create competitiveness in our operation,” emphasizes Christer Ottosson.

### ABOUT APOTEKET

Apoteket is responsible for the country's pharmaceutical supplies; sales and certain production of pharmaceuticals as well as consultation. Supply of pharmaceuticals is handled via:

- Approximately 800 pharmacies and hospital pharmacies as well around 800 pharmacy representatives
- 2 remote pharmacies
- 11 production units for dosage-packaged pharmaceuticals
- One central pharmacy for the distribution of animal pharmaceuticals

### THE PROBLEM

Distribution of pharmaceuticals was previously characterized by:

- High distribution costs
- Lack of coordination and follow-up
- Complex contracts and many local transport solutions
- Major administration costs

In addition, the demands for distribution solutions are increasing as a result of new customer offers, increased quality requirements and structural changes

### THE SOLUTION

Introduction of in-sourced, central transport integrators with responsibility for management, operation and development of Apoteket's distribution:

- Operative transport department for management, operation and development of Apoteket's pharmaceutical distribution
- IT system for efficient follow-up of distribution
- Framework with clearly defined forms of responsibility and cooperation

### THE RESULT

Examples of results (ongoing assignment):

- Contributed to Apoteket having been able to implement structural changes and introduced new customer channels as a link in achieving increased competitiveness in a deregulated market
- Reduced transport costs and administrative costs
- Control of distribution costs and service levels
- Improved distribution solutions with increased quality and better functionality
- More available time for pharmacists (who previously spent a portion of their time with transport management and administration)