

# 3<sup>rd</sup> International Summit on **GMP, GCP & Quality Control** September 25-26, 2014 Valencia Convention Centre, Spain

## Current restructuring ordeal & the future ahead for CMOs

**Kamaljit Behera**  
Beroe Consulting (I) Pvt. Ltd., India

With the sunset of the blockbuster era and increasing demand for more low-costs generics are expected to change the dynamics of CMO and API business in the near future. In the last 3 decades, outsourcings across CMO operations have increases from 10% to 25%.

**Demand Trends:** With the availability of quality outsourcing partners and underutilized capacity with the large pharma sponsors has made the large pharma to rethink their procurement and manufacturing strategy. Pharma sponsors are expected to increase their dependencies on potential strategic suppliers, to make their in-house manufacturing operation more lean and efficient. In response, Industry is also witnessing many asset rationalization deals in the past few years, to mitigate the underutilization rate for CMO and API manufacturing operations.

**Supply Trends:** Recent evolution and reforms in the regulatory front, is mainly focused towards monitoring the quality and operations of Emerging Market CMOs/Suppliers like in India and China. In order to mitigate these challenges CMOs with country of origin from Emerging markets like India and China are expanding their operations to developed markets like US and EU to ensure quality and innovation.

These in turn is making Procurement the Game Changer to increase future productivity, quality and derive cost efficiencies for Pharma Manufacturing Operations by outsourcing to potential CMOs.

**Objective:** The research paper will mainly discuss the impact of these trends on Buyers (Pharmaceutical) and Suppliers (CMOs) and highlight key focus areas and future course from procurement prospective

- Supplier Base consolidation by adopting tail-end spend management
- Increasing manufacturing operational footprint in LCCs
- Establishing and optimizing Pharma- CRO Strategic Deals

[kamaljit.behera@beroe-inc.com](mailto:kamaljit.behera@beroe-inc.com)