

HARNESSING THE BENEFITS OF LOCAL SOURCING IN HUNGARY

Tibor Kovacs of PHARMAROAD KFT. provides a case study focusing on using Hungary in sourcing strategies

Prourement specialists responsible for ensuring that all investigator sites in multi-country clinical trials are adequately provided with comparator and ancillary supplies are in an increasingly difficult situation. They need to consider multiple factors as they are required to procure goods (i) with the widest array of product documentation (COA, COC, MSDS, etc.), (ii) via the most reliable supply chain and (iii) within the shortest timeframe. Simultaneously, they are expected (iv) to keep the costs of purchasing and all relevant services (storage

and distribution, packaging and labelling, etc.) to the lowest possible level.

To meet these often times contradictory requirements (i-iv) of the procurement process, experts in the field of supply chain logistics often apply a local as opposed to a central sourcing strategy. In these scenarios, clinical trial supplies and related services delivered to investigator sites in a specific country are provided by a qualified local vendor operating in the same domestic market. This approach might

offer multiple advantages, such as lowering purchasing prices, increasing speed of supply or providing additional savings on decreased logistic costs.

Local sourcing as a procurement strategy is not without its own risks. These risks however can be mitigated by selecting a national market with a traditionally strong pharmaceutical sector, with a

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wide base of well-established service providers and with competent regulatory authorities. To further guarantee the success of the strategy, the domestic vendor selected to deliver the requested services must adhere to the strictest quality control standards, be well integrated into the local distribution system and have direct supplying agreements with all major marketing authorization holders in the given market.

In recent years, countries in Central and Eastern Europe have started to play an increasingly important role within the domain of international clinical trials. Several countries of the region have seen a growing number of their healthcare institutions become qualified investigator sites. Hungary has benefited tremendously from this process; not only has the number of clinical trials grown gradually but procurement experts have started to consider the country as a destination for local sourcing with increased frequency as well.

Cost-effectiveness regarding the procurement of clinical trial supplies has been the main driver behind the proliferation of local sourcing activities in Hungary. Enjoying a substantial price advantage over Germany, Ireland or the United Kingdom, where central depots are typically located, Hungary has managed to carve out a niche for itself within the realm of clinical trial supply services. With a wholesale distribution system that is based on a strong network of business relations between manufacturers and a relatively low number of wholesalers, Hungary has become a common go-to market for supply chain managers of sponsors, clinical research organizations and comparator sourcing specialists. In addition,

the strong supervisory oversight of the national regulatory authorities continually ensures the strict compliance of the different market participants to the required regulatory standards, let them be GDP, GMP or GCP oriented.

Experts coordinating the purchasing activities for international clinical trials are under constant pressure to further decrease costs associated with the procurement of products and services. At the same time, they are pressed to select vendors that hold international credentials in terms of their quality control systems and can serve as one-stop-shops by offering the widest array of clinical trials related services, such as product sourcing, storage and distribution or packaging and labelling. Hungary will continue to serve as a favored destination for these experts because via the careful selection of a trusted domestic partner, all benefits of a local sourcing strategy can be easily and fully harvested.



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