The $100M Supply Chain Data Story:

How a Global Pharmaceutical Leader Revolutionized the Value of Information

CASE STUDY

Executive Summary

Since 2006, Trax Technologies has served as a strategic partner to one of the world's largest pharmaceutical companies in global supply chain optimization, delivering over $100 million in validated savings in 2023 alone. This case study examines how Trax's comprehensive data management and analytics solutions have supported this pharmaceutical leader through multiple strategic initiatives, throughout a dozen major acquisitions and divestitures, while providing the foundation for data-driven decision-making across the enterprise.

From Data Fragmentation to Strategic Asset

In the early 2000s, the company's Global Logistics Network Services team recognized that their existing systems left valuable insights trapped in disconnected spreadsheets and emails.

"What the company cares about from Trax is our data and its veracity," explains a Trax account executive. "They see tremendous value in the data from the global invoice audit process, and over time, they've leveraged this data for multiple optimization projects."

Evolution of the Partnership

Foundation Building (2006-2009)

- Implemented Trax's supply chain technology solutions across North America, Latin America, Europe, and Asia
- Established standardized data collection and processing
- Integrated in-market and international operations

Rate Management Revolution (2016)

Facing the challenge of managing thousands of carrier rates through manual processes, the pharmaceutical company partnered with Trax to co-design and develop a revolutionary rate control solution. This collaboration resulted in:

- Centralized platform for rate management
- Digital procurement capabilities
- Historical rate analysis for strategic negotiations
- Seamless integration between procurement and transportation teams

Network Optimization & Sustainability Initiatives (2021-present)

When Trax launched its carbon emissions reporting capability, the company saw an opportunity to address both environmental impact and operational efficiency. Their existing distribution model centered on flying shipments into Memphis and distributing them nationwide via truck. This created a particular challenge for West Coast destinations, requiring extended trucking routes that increased costs and carbon emissions.

The company engaged Trax to conduct a comprehensive modeling analysis to evaluate the potential of establishing a new distribution site on the West Coast.

Leveraging historical shipping data, Trax built sophisticated models to analyze various scenarios, including potential locations in Northern California and Northern Nevada.

The analysis demonstrated that creating a second distribution hub would not only reduce emissions through shortened trucking routes but would also optimize transportation spend through more efficient network design. The impact was so significant that the company has since engaged Trax for similar network optimization analyses three times over the past decade, establishing Trax as a trusted partner in strategic network design.

Challenge...

Prior to partnering with Trax, the pharmaceutical company faced several critical challenges:

- Limited visibility into transportation spend across multiple business units
- Manual management of thousands of carrier rates through spreadsheets and emails
- Inefficient network design leading to increased emissions and costs
- Lack of granular cost allocation at the SKU level
- Complex global operations spanning multiple regions, currencies, and carriers
- Need for rapid integration of new business units during M&A activities

...Solved

Global Freight Audit & Payment

- 100% invoice auditing across 21 countries
- Processing of transactions in 19 currencies
- Management of 115 carrier relationships
- Complete cost allocation down to SKU level

Innovative Cost-to-Serve Analysis

A unique aspect of the company's utilization of Trax data emerged when their cost-to-serve team, positioned between supply chain operations and commercial business units, revealed they were using Trax data to analyze market-specific strategies. This team was examining questions like:

- Should minimum order requirements be implemented in lower-volume markets? How do distribution costs impact pricing strategies in different regions?
- What is the true profitability by product line, business line, and geography?

The data within Trax's systems held the answers, unlocking true visibility and accurate decision-mawking resulting in 2050 cost center combinations.

R&D Optimization

In response to post-COVID market changes, the company's Global Clinical Supply team engaged Trax to:

- Create visibility into transportation costs for clinical trials
- Break down spend by freight, fuel, and accessorial costs
- Develop automated monthly reporting for budget management
- Support cost-efficient product development initiatives

Financial Impact

Through managing $740 million in annual freight spend, Trax delivered over $100 million in validated cost savings while eliminating manual processing costs and strengthening the company's negotiating position through data-driven procurement strategies.

$740 million
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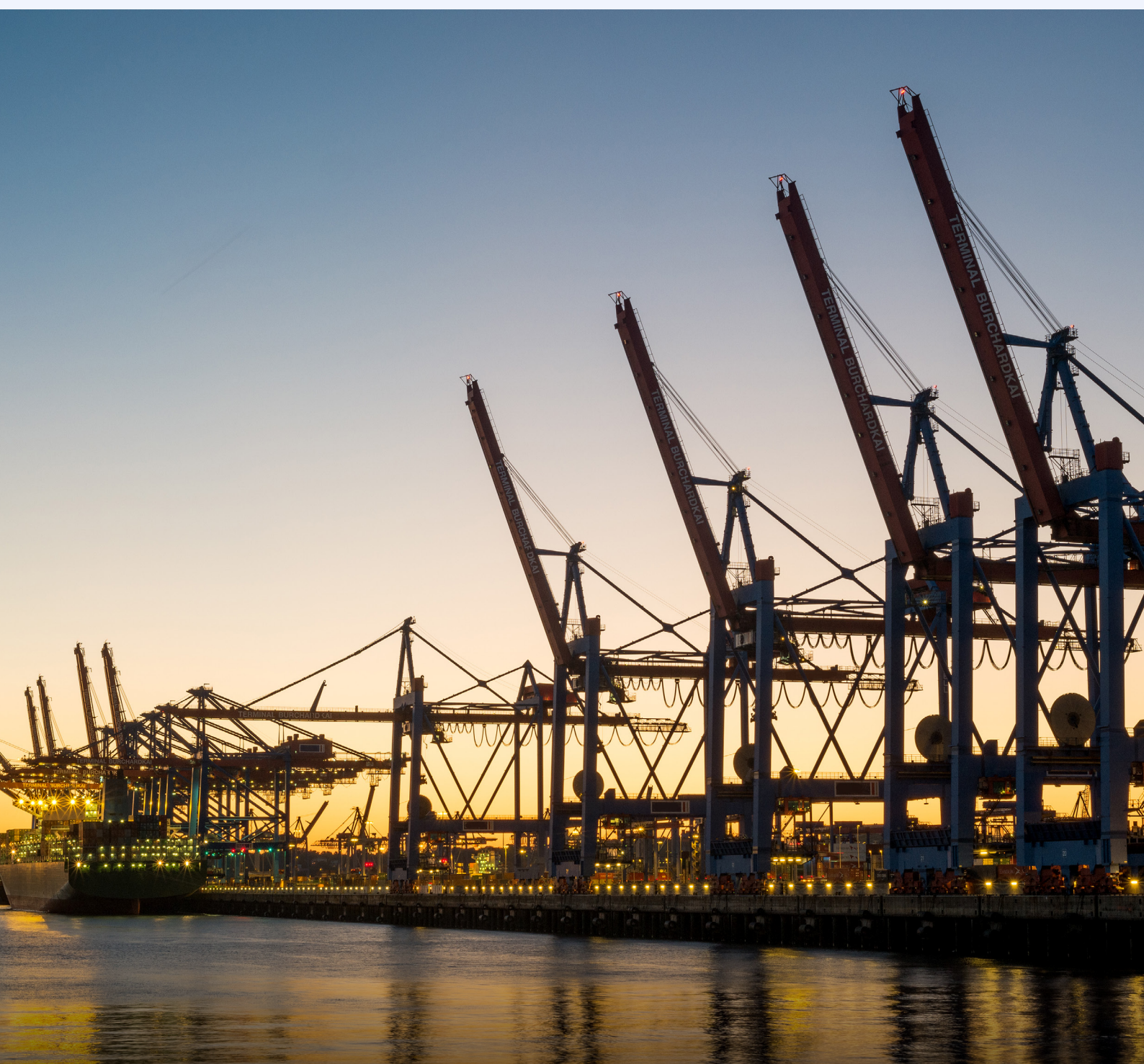
Taking Data From Disparate to Decision Engine

The partnership with Trax fundamentally transformed the company's ability to make strategic business decisions. Where executives once navigated global operations with limited visibility, they now leverage real-time data to drive decisive action. This transformation manifested across multiple dimensions of the business.

Deep Market Insights

Previously operating with quarterly manual data compilations, their **commercial teams gained immediate access to granular market insights.** This enabled them to make rapid decisions about critical business questions, such as whether to implement minimum order requirements in markets like Greece, where volumes differed significantly from larger markets like Germany.

Fast-Tracking M&A

The integration of Trax's data capabilities proved valuable during the company's numerous corporate transactions. When acquiring new business units – a process typically taking years to achieve full visibility and control – they could immediately onboard new entities into their data ecosystem. This rapid integration capability transformed their M&A playbook, allowing them to identify and capture synergies faster while maintaining strict cost control during transitions.

Sophisticated Cost Tracing

Perhaps most significantly, Trax's sophisticated cost allocation capabilities revolutionized the company's approach to market analysis. The ability to trace costs down to over 10,000 individual SKUs across their global network enabled them to assess profitability with unprecedented precision. This granular visibility empowered them to optimize their commercial strategy by region, product line, and business unit – turning supply chain data into a competitive advantage.

Cross-Functional Value Creation

The true power of Trax's solution became evident as it rippled through the organization, transforming how teams across finance, operations, R&D, and commercial units leveraged data to drive performance. What began as a freight audit solution evolved into a strategic asset that different business units harnessed in unique and powerful ways:

Finance Teams

- Granular cost allocation enabling accurate profitability analysis
- Automated reporting and reconciliation
- Enhanced budget visibility and control

Supply Chain Operations

- Optimized distribution network
- Reduced transportation costs
- Improved carrier management

R&D and Clinical Supply

- Detailed visibility into testing and development logistics costs
- Enhanced budget management
- Streamlined operations

Commercial Strategy

- Market-specific cost-to-serve analysis
- Data-driven pricing decisions
- Optimized minimum order requirements

Supply Chain Data Powers Enterprise Success

This partnership demonstrates how enterprise organizations can transform supply chain complexity into a strategic advantage.

> *Through normalized data, intelligent analytics, and deep industry expertise, what started as a freight audit solution has evolved into an enterprise-wide strategic asset delivering ever-growing value.*

Today, as the company navigates market volatility and drives aggressive growth initiatives, Trax's technology continues to:

- Accelerate R&D innovation through precise logistics cost control
- Enable seamless M&A integration with day-one operational visibility
- Drive network optimization that balances cost and sustainability
- Deliver actionable insights across finance, operations, and commercial teams

Extract Power From Data With Trax

Global enterprises face unprecedented challenges in managing complex supply chains. The question isn't whether to transform your supply chain operations but how quickly you can begin.

Trax offers a proven path forward. Our enterprise-grade solutions have helped organizations like this pharmaceutical leader turn supply chain data into a competitive advantage for over 25 years.

Ready to discover how Trax can transform your supply chain operations? Contact our team to:

- Assess your current transportation spend management maturity
- Identify immediate cost-saving opportunities
- Build a roadmap for supply chain optimization
- Learn how leading enterprises achieve measurable results
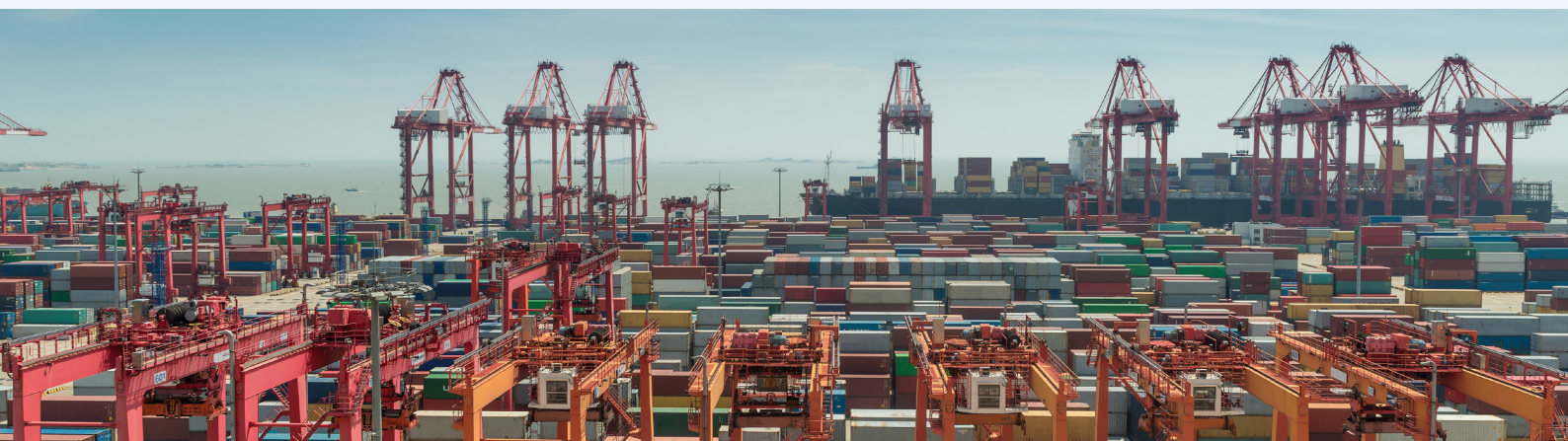
Connect with Trax today to begin your supply chain transformation journey.

Contact us at **www.traxtech.com/contact**
or email us at **sales@traxtech.com**

CONTACT US

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