

Establish clear rights to terminate the contract for critical or sustained quality failures

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1. How the Procurement practice benefits the company in the long run?

Pharmaceutical manufacturers increasingly rely on a complex chain of suppliers to manage various aspects of their product production cycle. Supplier A might process the pharmaceutical ingredients, while Supplier B assembles the dose forms. Supplier C provides some specialized test services, Supplier D packages and delivers the products, and so on. This creates multiple supplier interfaces, each interface representing a potential risk to product safety and compliance. Good Manufacturing Practices (GMPs) require effective and consistent management of these potential risks.

2. How you successfully manage your supply chain, do you focus on a particular segment to churn a smooth supply?

While negotiating contracts, we don't leave out the quality assurance and technical functions. Their inputs are essential in ensuring that no serious quality or compliance issues arise later in the supplier engagement. Finally, establish clear rights to

terminate the contract for critical or sustained quality failures.

Ultimately, contracts might not guarantee effective risk management or GMP compliance, but they do serve as an important reference document for suppliers — especially in the longer term for those who weren't involved in the initial discussions.