

The Biotech & Pharmaceutical industry

Cash flow optimization

From AI-driven drug discovery to game-changing vaccine treatments, biotech and pharma firms are helping drive a period of rapid industry innovation. But at the same time, they face a series of sizeable challenges — including four related specifically to their supply chains:

- Increasing digitalization to help with inventory management
- Effectively harnessing AI to increase supply transparency
- Improving sustainability credentials
- Building supply chain resilience

CFOs, Treasurers, and Procurement leaders can play a leading role in tackling these challenges. But to do so effectively, they need to be dealt with together using the right approach.

| **That approach?** Cash flow optimization.



The situation at a glance:

80%

of firms using AI for supply chain management view AI as 'important' or 'very important' to their strategic objectives.*

62%

rate sustainability as their number one priority over the next five years.**

33%

are attempting to completely transform their supply chain through digitalization.***

* DCAT, 2024

** Cytiva, 2024

*** Deloitte, 2024



Increasing digitalization

Supply chain digitalization is becoming vital to help biotech and pharma firms manage inventory more efficiently and avoid product delivery failures. To further enhance supply chain agility and resilience, many firms are also collaborating with strategic partners to access cutting-edge innovations, like real-time data analytics.

Do it with SAP Taulia

Platforms like SAP Taulia enable supply chain management to be digitalized in one place, which can help you optimize forecasting, reduce costs, and make more informed decisions. It can also give you the control and visibility needed to ensure drugs are always available and delivered on time.

Effectively harnessing AI

AI investment is ramping up in biotech and pharma. For instance, it's being deployed to increase supply chain transparency and improve security, including the detection of counterfeit drugs. In the face of growing financial challenges, like rising R&D costs, AI can also help optimize supply chains, such as finding ways to reduce costs and boost efficiency.

Do it with SAP Taulia

SAP Taulia is using AI to help its customers assess supplier behavior around accepting early payments. Offering early payments to suppliers can increase their liquidity and mitigate risk by ensuring they can continue to purchase new stock and keep operations running smoothly. Given that biotech and pharma companies

Improving sustainability

Big pharma is launching initiatives, such as diversifying ingredients via synthetic biotech, to build more sustainable supply chains — driven by regulatory pressures, environmental concerns, and potential damage to brand reputation. The pharma and biotech sector has also committed to reducing emissions by 45.8% by 2035 and will need to cut emissions across their supply chains to help hit this goal.

Do it with SAP Taulia

With our Sustainable Supplier Finance solution, we can give you detailed insights into your entire supply chain — including suppliers that are geographically distant, or further down the value chain. And that means you're getting insight into your suppliers' suppliers, and their suppliers too, allowing you to set financial incentives for them to improve their sustainability. Which of course, improves your own reporting.

Building resilience

Regulatory changes are pushing biotech and pharma firms to re-evaluate, and even restructure, their supply chains, with a focus on security, compliance, and domestic production. While beneficial long term, this could lead to increased short-term costs. More generally, issues such as climate change and geopolitical instability continue to create industry uncertainty. As such, supply chain resilience and risk management become even more vital.

Do it with SAP Taulia

We can help you build resilience to changes in market conditions with our Working Capital Management suite, including Payables, Receivables, and Inventory. Through predictive AI and real-time data, we can also help you intelligently react to shifting market forces, rather than reacting to them when it's too late.

SAP Taulia: Ready when you are

With our supply chain finance and working capital management solutions, we can help you address the challenges you face around digitalization, AI, sustainability, and the need for increased supply chain resilience.

To find out more contact us at:

taulia.com/company/contact-us

Contact us

Or, to get a deeper understanding of how our solutions work, take a look at our interactive demos:

<https://taulia.com/product-tours/>

Try a demo