



## Case Study: Streamlining Supply Chain Efficiency for a Global Manufacturer of Prime Quality Fish Oil



### INTRODUCTION

Fish oil is the most common natural health product consumed in the USA, according to the National Center for Health Statistics\*. Derived from the tissues of oily fish, fish oil contains Omega-3 fatty acid that health conscious advocates claim helps prevent heart attacks and strokes, reduces inflammation and is beneficial for hypertension and mental health.

Omega-3 is not produced by the fish itself. It is a byproduct of the diet of the fish that includes microalgae or prey fish.

According to the Washington Post, people in the United States spend about \$1.2 billion annually for fish oil pills and related supplements.\*\* Maintaining a constant and regular availability of this popular nutritional product is of vital importance to fish oil manufacturers and consumers.

### PROBLEM

Peru and Chile are global leaders in fish oil exports. One of Peru's best known fish oil manufacturers approached WDSrx to improve their supply chain for their U.S. production facilities.

WDSrx evaluated their current supply chain and recognized several factors affecting the supply of fish oil.

An important factor that determines the availability of fish oil is weather. The El Nino effect warms waters

where fish are harvested near Peru. Warmer water reduces the amount of oil extracted from each fish. Fishing must be coordinated with weather patterns in order to maximize output.

Another factor that affects supply is the status of the fish biomass. In 2014 the anchovy fishing season in Peru was cancelled due to a negative finding by the Peruvian governmental authority over fisheries\*\*\*\*.

The impact of nature on fish oil supply was compounded by a system whereby re-orders of fish oil were requested by U.S. fish oil manufacturers who communicated directly with our client's headquarters in Peru. This process resulted in delays throughout the supply chain that threatened the production process.

## SOLUTION

After a thorough review of all information gathered, the WDSrx team developed an action plan designed to minimize supply chain disruptions for the client.

Recommendations presented to the client were substantial and included a transformation of their supply chain from the order process through to the delivery of fish oil to the final destination. A key strategy of the new plan was to enable the WDSrx facility in Boca Raton, FL to receive all orders flowing from U.S. manufacturing plants.

To implement the plan, arrangements were made by WDSrx to ship, receive and store large supplies of Prime Quality fish oil directly from Peru at regular intervals according to demand in order to maintain a supply stockpile in the United States.

The client agreed to all recommendations.

## RESULTS

Plan implementation immediately relieved pressure on the client to fulfill multiple orders to different locations throughout the United States.

Shifting the supply of fish oil from Peru to the WDSrx facility enabled stress-free and timely deliveries on a just-in-time basis to manufacturers around the country.

Manufacturers had a clear channel of communication with WDSrx which eliminated uncertainty compared with the previous ordering procedures.

The program devised by WDSrx has eliminated pressure on the supply chain and has reinforced the client as a consistent and reliable source of Prime Quality fish oil in the United States.

## EXPERTISE

This project utilized several services provided by WDSrx to exceed client expectations.

**Warehousing and Distribution** – WDSrx facilities are licensed to meet cGMP, FDA, DEA, EPA, DOT, VAWD and Federal, State and Regulatory Agency requirements for handling of Over-The-Counter, Prescription and Controlled Substance (CII-CV) pharmaceutical products. Suppliers of high grade raw materials for nutritional products and nutritional product manufacturers may demand the same stringent requirements for receiving, storing and delivering as pharmaceutical manufacturers. The client had total confidence that their valuable product could be stored at WDSrx climate controlled facilities.

**Financial Services** – A robust technology backbone enables WDSrx to handle financial transactions from order to invoicing with programs customized to the requirements of each client. Clients enjoy access from a secure online portal to real-time reporting and invoicing details.

**Transportation Management** – As an independent pharmaceutical 3PL, our transportation management team searches among several transportation vendors for the best rate to match the requirements of each shipment.

**Geographic Advantage** – Located in Boca Raton, FL, about a one-hour drive north of Miami, WDSrx is the closest pharmaceutical 3PL in the U.S. to the client's headquarters offices that offers the integrated managed services necessary to bring this project to a successful conclusion.

\* <http://www.cdc.gov/nchs/data/nhsr/nhsr079.pdf>

\*\* <http://wapo.st/232kt6Y>

\*\*\* <http://www.agrochart.com/en/news/news/120415/peru-fish-meal-oil-annual-mar-2015/>

\*\*\*\* <http://www.thefishsite.com/reports/?id=5533>