



CASE STUDY

New \$19M Distribution Center Completed Early – Enables Global Biotech to Expand Operations

PROJECT BACKGROUND

A leading global biotechnology company projected that its increasing drug sales would soon strain the capacity of its distribution center. At the same time, the firm recognized that it was risky to continue storing all finished product in one location.

To accommodate accelerated growth and improve distribution, the biotech decided to invest \$19 million to convert an existing off-site warehouse into a state-of-the-art ambient and cold storage cGMP facility. It was anticipated that this new center would reduce order-fulfillment time and mitigate inventory insurance risk. Moreover, the proposed new distribution center was closer to a third-party manufacturer, which could provide additional long-term savings.

The firm's senior management decided that the project's magnitude called for external expertise. They selected Integrated Product Management Company, Inc. (IPM), to oversee integration of the construction activities and supervise operational startup of the new facility.

IPM'S SOLUTION

IPM began by assessing the initiative from technical, financial, and commercial perspectives, breaking the complex program into logical sub-project teams with integrated work-breakdown activities, project plans, and a comprehensive communication plan. IPM then tied the sub-project schedules together into a master program plan.

As the client representative, IPM reviewed the construction plans, to ensure that specifications met client requirements, and provided critical feedback to internal engineering and the third-party design firm.

IPM worked alongside ten cross-functional sub-teams to drive project implementation, which included monitoring the acquisition of drug distribution licenses from all 50 states.

For a successful launch of the new facility, a complex number of areas had to come together flawlessly. Some highlights:

Environmental, health, and safety: IPM ensured the facility was in full compliance, from the air permit; to spill prevention

and containment planning; to the fire, life, and safety plan.

Operations: IPM recommended an efficient process flow for warehouse and distribution activities.

Staffing: IPM helped the internal project team hire a full roster of permanent and contract staff, as well as develop and execute a detailed training plan to bring the new personnel "on board."

Because construction took place thousands of miles from company headquarters, IPM prepared frequent communications and facilitated Core Team meetings every six weeks to enable stakeholders to follow the project's progress. Such constant visibility kept anxieties in check and ensured that concerns were quickly identified and addressed. The trust between IPM and the internal team ensured attention to detail and facilitated timely decision-making.

As they worked, IPM personnel mentored their internal counterparts in project management best practices, for application to projects going forward.

PROJECT RESULTS

The new distribution center was under budget and fully functional one full quarter ahead of schedule, which the client deemed “a fabulous achievement.” Surpassing company expectations, the new facility fulfilled 50% of all commercial orders within its first year. Meant to serve as a backup warehouse, the facility quickly became the company’s primary fulfillment center due to its smooth-running operations.



200 South Frontage Road, Suite 220
Burr Ridge, IL 60527
T 630.789.8600
F 630.789.7945
www.ipmcinc.com