

# Contract Manufacturing in Biotech: Turning Your Supply Chain into a Competitive Differentiator

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## Executive Synopsis

Global supply chains are often underutilized assets. By embracing the concept of variabilization- transforming fixed costs to variable costs, biotech companies can significantly leverage their supply chain, thereby freeing up valuable resources for new product launches or other priority initiatives. Key to this strategy is finding and engaging a knowledgeable and dependable contract manufacturer. Potential contract manufacturers must keep intellectual property (IP) safe, meet necessary regulatory requirements, and provide excellent cost effective client support. The first step in leveraging the supply chain is bringing together the contract manufacturer with operational and change-management leaders. By starting on a project where all parties are confident of success, a firm base is established for improving supply chain leverage.

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## Contract Manufacturing in Biotech

Contract manufacturing in the life-sciences industry is gaining a strategic role in the supply chains of some of the most successful companies. Once considered just a capacity alternative to the manufacturing or distribution capabilities of operations, the benefits of leveraged supply chains are increasingly recognized. Why is this transition occurring? A leveraged supply chain not only improves operating profits, it has the power to transform the global operations team into a competitive operating advantage by accelerating the company's innovation engines in new product development. This paper will explore some of the reasons companies are using leveraged supply chain models and how you can deploy this strategy in your company.