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## Where is “Big Pharma” in the Ebola Epidemic?

There has been a lot of news coverage surrounding the Ebola outbreak in Africa. About 7,000 people have been killed so far with nearly 19,000 infected. Only a couple of cases have been reported in the U.S., but it still makes people wonder why "Big Pharma" hasn't solved the Ebola epidemic yet. Currently, there is no drug or vaccine available to treat Ebola. However, several research firms are racing to find a cure.



Image via [Flickr](#) by Army Medicine

## Progress on an Ebola Vaccine

Vaccines are used to train the immune system to fend off disease before it has a chance to take hold. Typically it takes decades to develop effective vaccines, and then they need refinement over time. However, [clinical trials](#) are being fast tracked by some research firm because the Ebola epidemic is so serious.

Two Ebola vaccines are currently undergoing clinical trials in humans. One was made by the National Institutes of Health and GlaxoSmithKline (GSK) in the U.S. and the other comes from the Public Health Agency of Canada. GSK's Ebola vaccine has been tested on 20 volunteers. It apparently does create an immune response and is safe. Trials of this drug are also being conducted in the UK, Mali, and Switzerland. Researchers are still waiting on information about how long the vaccine's protection would last.

The Canadian vaccine is also being tested in the U.S. and Switzerland. Plus, trials are being planned for Kenya and Gabon. There were 34 original trial volunteers and the initial tests show that the vaccine is safe. Further trials are needed to determine its immune response.

There are ethical concerns about doing clinical trials at such a fast pace. The vaccines contain the live virus in a weakened state, so they have to be temperature controlled to maintain their effectiveness. Plus, long-term effects cannot be determined. Because of the rush, drug companies want indemnity in case something goes wrong.

On top of ethical concerns, the government has to decide who is eligible for the vaccine. There are all sorts of production costs to consider and supply chain systems are not set in place. There is also no projected timeframe on when the Ebola vaccine will be ready for distribution.

## **Drugs to Treat Patients Infected with Ebola**

Even though an Ebola vaccine is being created, there is still no drug to treat people already infected with the disease. Experimental Ebola drugs do exist, but they don't have major manufacturing backing them. To save time, researchers think that the best way to approach the Ebola drug situation is to look for already existing drugs that might be effective in treating Ebola patients.

According to [Time.com](http://Time.com), 53 drugs exist that could potentially treat Ebola. One of the most promising drugs is ZMapp. It has been used on a few Ebola patients, but there is no research to prove it is effective yet.

Two leading drugs that interfere with the way the Ebola virus replicates inside our cells include Brincidofovir and Favipiravir. The University of Oxford is leading the research behind Brincidofovir. 140 consenting patients will try the drug and then the survival rates will be compared against patients that did not take the drugs. Favipiravir research is being led by the French National Institute of Health and Medical Research. Results are expected by early 2015.

Lots of smaller research firms are trying to help find a cure for Ebola, but it's important to recognize the ethical concerns and distribution concerns that come along with this fast track.

## [Case Study] Wal-Mart's Place in India's Supply Chain

Wal-Mart is one of the most successful superstores in America. They sell everything from groceries and clothing to toys and car parts. Wal-Mart has literally become a one-stop shop for anything a family could want. The thing that sets them apart is their "Always Low Prices." Wal-Mart's supply chain is impressive. They take the time to find the best prices for their products and then keep the cost of shipping and warehouse logistics low to deliver cost savings to their customers. Wal-Mart wants to be a global brand and thinks they can transfer their supply chain knowledge to other markets. That's why they're looking to expand into other countries, such as India. Take a look at their progress so far.



Image via [Flickr](#) by Mike Mozart

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## The Situation

[Wal-Mart formed a partnership with Bharti Enterprises](#) in 2007 to build superstores in India. They built 20 joint venture stores in several major cities under the name, "Best Price Modern Wholesale." The partnership has since been dissolved because Bharti wants to grow independently of Wal-Mart. However, Wal-Mart will continue to operate the 20 superstores that resulted from the partnership.

Wal-Mart wants to compete in India and they believe that they have the supply chain necessary to keep shareholders happy. However, India's government is making business difficult for Wal-Mart because they require retailers to source 30 percent of their inventory from small suppliers. This is difficult for Wal-Mart because they strive to keep prices low by finding the cheapest deals for their customers.

## The Approach

Wal-Mart's partnership with Bharti was an attempt to breach a new market and quickly overcome cultural barriers and government rules as they expanded into India. It's unclear why their partnership was broken, but it probably had to do with differences in their supply chain strategies. Wal-Mart is a supply chain superstar and Bharti knows how to navigate India's sourcing rules. It was smart for Wal-Mart to look for a successful brand in India in which to partner. Unfortunately, things did not work out the way they hoped.

## Impact and Advantage

This is not the first time Wal-Mart has had a difficult time entering a new market. Wal-Mart tried operations in both Germany and South Korea. The challenge was that they did not understand the shoppers. Wal-Mart thinks that both India and China are a better option for them to expand because the shoppers are closer to the shoppers in America. People go to the store often because they do not have a lot of space at home to store things such as food.

In 2013, [Wal-Mart increased their sales by a mere 1.3 percent](#). That's small, which is why they are looking to expand their business into other countries. However, India has been resistant to welcoming Wal-Mart based on their supply chain policies. Wal-Mart's growth has exceeded most people's expectations. This definitely shows how difficult it is to operate a business on a global level. Different supply chain systems must be in place for every market and Wal-Mart will not give up.

## Does the Food and Beverage Industry Have a Place in E-Commerce?

Online grocery shopping is not a new thing — shoppers place their orders, and then someone physically shops and delivers the goods. However, several businesses have popped up that offer meals in a box. These businesses do not use local fulfillment. This raises concerns because of supply chain restraints in terms of keeping food good during delivery. It really makes you wonder if the food and beverage industry has a place in ecommerce.



Image via [Flickr](#) by superstrikertwo

### Ecommerce Shopping Trends

Ecommerce is still a growing industry. The [Census Bureau of the Department of Commerce](#) shows a steady rise in online shopping sales since 2005. However, people have been slow to adopt food and beverage purchases on the Internet until recently. Many consumers are trying businesses, such as Blue Apron, to purchase food and beverage products in the form of complete meals in boxes.

Consumers are trending towards fresh and organic food. They don't want to eat products that use preservatives or other chemicals that are potentially hazardous when consumed. Consumers are also willing to pay more money for these products and purchase them online. The problem is that these food and beverage purchases offer major challenges for logistics. They require special attention because of their high risk of loss during transit.

## **Logistics Problems with Perishables**

When [shipping perishables](#), you always have to plan for the worst. Plus, not all perishables can be shipped the same way. For instance, bananas have a very short shelf life and they can't be frozen. That means they must get to customers very quickly. That means businesses do not see a high profit margin when shipping perishables because they must opt for express shipping.

Additionally, different temperatures and humidity levels are required for certain food and beverage products during shipping. Without the proper temperatures, some products can spoil before reaching the customer. These precautions cost additional money that cuts into profits. For instance, many pharmaceutical products must be kept at a certain temperature for the entire distribution process. So, temperature-controlled trucks and other modes of transportation are necessary.

After all of the difficult logistics considerations, food and beverage distributors must also make sure that they comply with government regulations. This adds another level of stress for the food and beverage industry in ecommerce. That's why it's taken so long for both consumers and businesses to adapt.

## **So, Is there a Place for the Food and Beverage Industry in Ecommerce?**

In general, it's not fair to say that the food and beverage industry does not belong in ecommerce because if there are customers, then there is a need. However, the logistics of shipping these products is more difficult, more expensive, and has lots of risk. It is possible for businesses to be profitable, but it is going to take a lot of supply chain planning and consumers must be willing to pay more money to [make food and beverage purchases online](#). With the right technology and a lot more experimenting, these type of purchases will become commonplace.

## [Case Study] Exploring the German Fracking Moratorium

Fracking is a process used to extract gas from underground. Basically, it is a hydraulic system where water, chemical additives, and sand are injected into rocks to open them and release gas. Then, the natural gas is captured in containers and used for energy. Bans on fracking have been popping up around the world because of concerns that it contaminates ground water and is not good for the climate overall. Let's take a look at the German fracking moratorium.

### The Situation



Image via [Flickr](#) by Casey Hugelfink

Like many countries in Europe, Germany announced a fracking moratorium. Currently, fracking is only allowed at depths below 3,000 meters to protect the groundwater. However, Germany is being pressured by the energy industry to allow fracking. Without fracking, they fear that the country will become less competitive in the world because of high energy costs, as well as cheaper gas prices in the U.S.

According to the [Wall Street Journal](#), German Environmental Minister Barbara Hendricks said, "There will be no fracking for economic purposes in Germany in the near future." The ban will be in effect until 2010." However, more recently the government has been thinking about lifting the ban on fracking by as early as 2015. This subject is currently up for debate.

## The Approach

Germany's fracking moratorium is a good thing for the climate but a bad thing for their economy. The ban on fracking puts Germany at the mercy of Vladimir Putin because Russia is where Germany gets a lot of their energy. Many European countries are already dependent on Russia for their energy needs and Russia has been causing problems with trade as of late. Germany needs a sustainable solution to their energy crisis. Unfortunately, allowing fracking is not a good answer, either.

## Impact and Advantage

Some sources debated that Germany could [lift the ban on fracking by early 2015](#) to reduce the country's dependency on Russia for gas imports. This would be a good thing for Germany's economy. Unfortunately, lifting the fracking moratorium in Germany is not a solution to the energy crisis because it is not sustainable and it contributes to climate change. The solution would not be long term. Germany and the rest of the world need to change their focus to sustainable energy, but nobody wants to pay for it. Yes, fracking does provide energy with lower carbon emissions than oil and gas, but the benefits do not outweigh the cons.

It's actually unlikely for the fracking moratorium to be ended according to a [spokesperson from the Environmental Ministry](#). Fracking is being tested for scientific purposes and if it is ever declared safe at a later date, the moratorium could end. The spokesperson said, "The state of science and research is not static; it is constantly evolving. That is why it would be completely wrong to set in stone such a ban on commercial fracking. That is neither how the state of science nor technology work in a democracy." Until then, fracking will be banned in Germany.

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