

Pharmaceutical manufacturing companies must handle returned drugs better

By [Mpho Sharon Makaleng](#)

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Pharmaceutical manufacturers should focus on reducing faults and working closely with pharmacies to manage medicine stocks better. But the return of medicine can't be avoided. It's inevitable that some products would be returned because of faults or when they have expired.



Drugs can be returned due to defects, damages or expiration. Shutterstock

Most drug returns are caused by recalls. A recall is typically done by the manufacturer. It's different from a return of pharmaceutical products by customers.

Whatever the reason for the return, manufacturers, importers, retailers, exporters and end-users must follow strict requirements for the removal of waste. In the normal process, a product is manufactured to move through the supply chain route to be sold to a retailer, or to the final consumer for consumption; but when it comes to reverse logistics, things work vice versa.

There are countries, such as India, that have effective reverse logistics practices in place. Reverse logistics is the process that manages the collection, inspection and sorting, depot or repair services, recycling, and disposal of goods after the delivery to the consumer or customer.

But in South Africa, the concept of reverse logistics is misinterpreted by consumers. It's also viewed as a cost drain that doesn't add any value to the supply chain.

South Africa's national consumer commission requires suppliers to contact it when deciding on the most appropriate strategy to deal with prospective recalls.

National consumer commission recall [guidelines](#) stipulate that suppliers notify the commission when taking steps to avoid a product safety-related hazard. Reverse logistics and recalls might still be a problem for pharmaceutical manufacturing companies because of quality checks not being performed as required.

There is inadequate research in the field of reverse logistics – that is how goods are sent back from the retailer or consumer back to the manufacturer – in South Africa. This is a problem because research is necessary to implement the right policies when it comes to returning pharmaceutical products. Drugs can be returned due to defects, damages or expiration. But drugs can't be resold or re-furbished and must be disposed in an environmentally accountable way.

In my [research](#) I looked at the challenges of reverse logistics facing pharmaceutical companies in the city of Tshwane. The city houses nearly [half of the 187](#) pharmaceutical manufacturing companies in the Gauteng province.

I found that the disposal of reverse logistics for drugs is not easy. Pharmaceutical manufacturing companies and retail pharmacies need to ensure that the correct processes are in place to handle the return of medication.

Returns and recalls

Drugs that are returned or recalled can't be repaired, resold or even donated. These must be destroyed. Returns within the pharmaceutical industry are worth billions. The fundamental complexities of reverse logistic operations, such as uncertainty in quality, quantity, and the timing of returns, make the product-return process complicated.

When drugs are returned due to defects or damages, they must be destroyed. But drugs can't be disposed of like other consumer products. They are harmful to the environment. Their disposal must be done in terms of specific [environmental regulations and laws](#).

I surveyed logistics, operations, buying, manufacturing and sales personnel and managers in 50 pharmaceutical companies. The survey included questions about strategies implemented to manage reverse logistics in their companies.

Most (67%) of the respondents said their companies didn't anticipate the return of drugs and had no plans in place to handle these. This is problematic because manufacturers are expected by customers – retail pharmacies and end users – to have systems and policies in place for handling product recalls.

Two thirds (66.67%) of the respondents said their companies had challenges when it comes to reverse logistics. These challenges included gatekeeping – that is the entry point of the reverse flow of, where returned goods are screened. Other challenges identified included; the lack of technology, waste elimination and transportation of product recalls within the pharmaceutical industry. The absence of information systems and inadequate investments in information technology were the most important obstructions in effective management.

Many companies are faced with an inefficient and undisciplined returns-management process and waste elimination; because they focus their supply chain-related investments on forward logistics.

Returns in the manufacturing pharmaceutical industry are worth a lot of money. My research aimed to find better ways of dealing with the challenges of reverse logistics.

In this research, I noted from the respondents that reverse logistics was a challenge for staff since most of them indicated that there are limited development opportunities and innovations in their companies.

Management must therefore must take this into consideration and implement training for staff and employ qualified personnel who are more confident in handling reverse logistics problems and challenges.

Recommendations

Manufacturing pharmaceutical companies must develop their current strategies to be more sustainable due to factors such as the firm's green image, political, social responsibility, the economy and also follow the [guidelines](#) for recall or withdrawal of medicine and medical devices in South Africa.

Organisations must consistently improve reverse logistics processes and procedures.

Research is also needed into consumers' experiences in returning products; and the challenges they face. Additionally, more research should be done on the reverse logistics of different pharmaceutical products such as pills, capsules and syrups.

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