



# Trade Compliance for Life Sciences Enterprises: Strategies To Mitigate Risk

A QAD Precision Leadership White Paper  
for Trade Compliance

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# HOW TRADE COMPLIANCE FOR LIFE SCIENCES ENTERPRISES: STRATEGIES TO MITIGATE RISK

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## INTRODUCTION

Trade compliance is a necessity for any company that ships globally. For the heavily regulated life sciences industry, it is critical. There are stringent regulations related to shipping hazardous materials, scheduled medicines and biological matter. Furthermore, regulations change depending on where you are shipping from or shipping to.

A Deloitte report on compliance challenges found that many life sciences companies did not have enterprise-wide view of risk. Globalization and the resulting need to work within different regulatory environments adds to the complexity. Furthermore, changing demographics means that life science companies are shipping to more places than ever before. China, Russia, India, Brazil and other global markets are increasingly important to life science companies. As the list of countries where your company does business

gets longer, you must deal with more regulations and more risk.

Life sciences companies need to look more broadly at trade compliance and realize the impact that it can have on their entire business. Trade compliance is more than a simple matter of avoiding fines and ensuring a shipment can transit easily across international borders.

When the health and well-being of people is dependent on your products reaching them in a timely fashion, it is imperative to avoid compliance delays. Reputational damage can have a lasting effect on the perception of a life sciences company and its products. But far more serious is the potential impact patient outcomes.

As Deloitte notes, a low level of investment in compliance is no longer enough. Instead, compliance should be seen as a source of competitive advantage and differentiation.



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## THE ADVANTAGES OF AUTOMATING TRADE COMPLIANCE

Regulations are subject to change. A product that can be exported with ease today may have stricter requirements to move across borders tomorrow. Denied parties and government lists of sanctioned individuals are also subject to frequent changes. Changes can occur several times a week. Trade compliance procedures and documentation can also change without warning, creating the risk of shipping delays. Yet, speed is crucial when dealing with the life or death nature of getting drugs, medications and testing materials to their destinations on time.

Companies that want to reduce risk associated with trade compliance must find a way to manage rapid change. Automating processes is one way life sciences firms can streamline their compliance processes.

Another advantage to automating trade compliance is that it also improves visibility and reporting across your global trade activities. A life sciences organization is always subject to the risk of audits. A company must be able to prove compliance with regulatory requirements in the global and national markets where they work. Special licenses or permits may be necessary for some life sciences firms to market their products in certain countries. Proof of these applications, licenses and permits must be ready to show authorities at a moment's notice.

Keeping track of these requirements and licenses can be challenging for life sciences firms working in multiple global markets. With an automated solution, you will be able to provide the details and full documentation for every shipment at the click of a button. This includes license and permit applications related to product compliance, as well as global trade compliance.

## FOUR CRITICAL REQUIREMENTS

When life sciences companies evaluate trade compliance solutions, they need to find a vendor that provides the following four critical requirements:

- Real-time updates to trade content from regulatory agencies around the globe
- Flexible compliance screening: by products and ingredients, by partners, organizations and countries
- Identify and manage license requirements by country, item, date, quantity or value.
- Automate compliance checks and documentation procedures, integrating them with outbound shipping processes. This creates a complete trade compliance and transportation solution.

Ideally, your trade compliance solution should start at the beginning of the export process. This will allow life sciences shippers to verify trading partners, determine end use, validate the country of destination and so forth. As a result, you perform due diligence, streamline trade compliance and create audit-ready electronic reports. This allows life science companies to streamline operational processes as well as mitigate the risks associated with dynamic trading environments.



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## ABOUT QAD PRECISION – TRUSTED GLOBAL TRADE AND TRANSPORTATION EXECUTION

QAD Precision (Precision Software) provides industry-leading global trade management, transportation execution and multi-carrier shipping software solutions from a single, integrated platform. Preeminent industry leaders in every region of the world rely on QAD Precision's global support centers to leverage thousands of carriers and manage millions of shipping transactions every day. Our open architecture easily integrates with Enterprise Resource Planning, Warehouse Management Systems and legacy solutions. An ISO-certified company, QAD Precision helps companies minimize shipping costs, optimize first mile and last mile deliveries, automate free trade agreement compliance, avoid customs delays and mitigate the risks associated with dynamic trading environments to maximize their competitive advantage. QAD Precision's customers span

multiple industries including banking and finance, life sciences, high technology, retail, industrial, automotive, higher education and public sector as well as logistics providers. For more information about QAD Precision, visit [www.precisionsoftware.com](http://www.precisionsoftware.com).

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## REFERENCES

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