



CAPDM Profile

The Canadian Association for Pharmacy Distribution Management

Representing Pharmaceutical Distribution in Canada

CAPDM VISION

Ensuring **safe, secure, and timely** access to high quality healthcare products for all Canadians



THE INDUSTRY COMMITMENT

MAXIMIZING EFFICIENCY & FINDING A PATH FORWARD

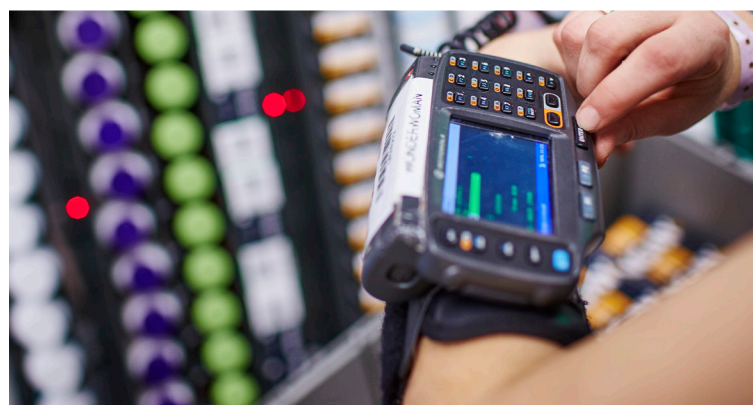
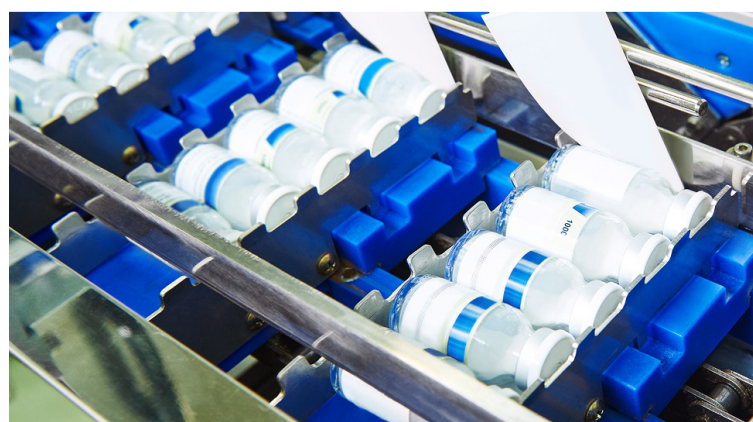
Canada's pharmaceutical distributors have maximized operational efficiencies through continuous innovation and investments in new facilities, IT, automation, and six-sigma capabilities. They deliver on their promise of ensuring safe, secure, and timely access to healthcare products to all Canadians in the face of mounting industry pressures.


Today, market conditions threaten the exemplary service standards that Canadians have come to rely on. The industry must consider significant adjustments to compensate for changing regulatory environments and shrinking revenues due primarily to the rapid decrease in generic pharmaceutical product pricing. CAPDM is committed to working with stakeholders to find solutions that support a path forward to sustain Canada's globally revered pharmacy supply chain.



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In an industry that is as complex
as it is vital, we play an **essential**
role as a unifying force.



THE CAPDM STORY

Since 1964 we have been representing an industry that provides an indispensable service to Canadians, supplying pharmacies and hospitals with essential medicines.

Our full name is Canadian Association for Pharmacy Distribution Management.

We are advocates not just for pharmaceutical distributors, but also for drug manufacturers and the pharmacies themselves. It can be a delicate balancing act because something beneficial to a member in one sector can be detrimental to one in another. So we always strive to find solutions that work for all our members.

On an ongoing basis we liaise with provincial and federal governments, and help them form regulations.

We host think tanks with business leaders to find innovations that keep not just goods, but the industry itself, moving in the right direction.

As well, we set standards and monitor developments both here and around the world.

We continually provide education forums and in an industry that is as complex as it is vital, we play an essential role as a unifying force by providing stability for a diverse membership with common interests.

We are the go-to people when there is a supply crisis, prepared to do whatever is necessary to help Canadians in need.

Established in 1964, the Canadian Association for Pharmacy Distribution Management is the authoritative voice to manufacturers, pharmacy and governments for the safe, secure, efficient distribution of pharmaceutical products in Canada.



We are the voice of an
industry that more than ever,
needs to be heard.

United advocacy means
a **strong platform** to consult on
policy and legislation



UNITED ADVOCACY

Within CAPDM's broad body of work – our top priority is ongoing advocacy federally and provincially from coast to coast on behalf of members and the pharmaceutical supply chain.

With united advocacy on policies and regulatory issues, CAPDM builds a strong platform to consult on policy and legislation insuring industry consensus and a collective voice heard by the stakeholders that need to hear it.

EXAMPLES OF CAPDM'S REACH

Partnering with the Quebec Government

CAPDM developed a sustainable funding model for pharmaceutical distribution in the province. The model safeguards the service fees from industry pressures and ensures distributors are adequately compensated so they can continue operating at the same high standard.

Federal Government

CAPDM conducts ongoing federal government advocacy efforts around the increasingly severe Health Canada regulations. Our aim is to find solutions that meet government needs, while minimizing the impact to the distribution industry.

Working with the Alberta Government

CAPDM upgraded Alberta's flu vaccine distribution system by taking advantage of the pharmaceutical distribution network to increase efficiencies and ensure consistent safe handling of vaccines. The result - a 92% increase in the number of flu shots provided by pharmacists over the prior year within the first month. That one month statistic translates to 186,000 more patients immunized, and a likely reduction in 1,400 ER visits and over 9,000 physician office visits.

Support on Key Issues

CAPDM provides invaluable support to government on key industry issues. For example, we provided counsel to Health Canada on drug shortage policies and worked with government to implement an electronic signature system to manage the distribution of narcotics.

The most **advanced** industry
you never think of...



THE INDUSTRY STORY

It is an essential service. One that nobody ever thinks about because it is performed so well.

CAPDM's members are called distributors. That's just one aspect of their business. They are also coordinators, expeditors, transporters, stewards, bankers, logisticians, and innovators.

Distributors get life-saving medicine and vital health care products to Canadians.

This involves packaging, picking up, sheltering, transporting and delivering medicines to over 9,800 pharmacies and hospitals, ensuring the right drugs go to the right place at the right time.

Distributors are also responsible for removing all recalls. This behind-the-scenes work requires painstaking care and attention, because getting it wrong could have dire consequences.

An inability to get pharmaceuticals causes great hardship. As a result distributors are obsessively efficient; and yet regularly sacrifice efficiency, transporting one bottle of pills to a remote pharmacy because somebody's life is depending on it.

A vital part of healthcare, distributors handle **OVER 95% of retail pharmaceuticals consumed in Canada.**

Annually this equates to:

> 240 MILLION order lines

> 4 MILLION deliveries

This requires stocking:

> 35K OTC, Front Shop & Rx SKU's



% of pharmaceuticals
handled by CAPDM
distributor members
in Canada

DRIVING

Safety • Efficiency • Savings

99.9%

INDUSTRY METRICS

Canada's Pharmaceutical Distributors operate highly regulated and ultra-efficient operations that protect patient safety while bringing transaction costs down.

Driving Safety

- High security Distribution Centres - fully compliant to Health Canada regulations
- Top level security and tracking for narcotics and controlled substances
- Fully supported cold chain for temperature sensitive products

Driving Efficiency & Performance

Meeting the pharmaceutical needs of Canadians means reaching almost every one of Canada's 9800+ pharmacies and hospitals each day from coast to coast.

Canada's pharmaceutical distributors execute over 240 million order lines annually with greater than 99.9% accuracy

Driving Transaction Costs Down for Pharmacies & Manufacturers

For pharmacies, full-line distributors are a one-stop-shop; and high delivery frequency means a reduced need for inventory. In addition, distributors extend an average of >\$100K of credit to each pharmacy. For manufacturers, one point of delivery leverages a robust distributor network reaching 9800+ dispensing points.

Saving the healthcare system and Canadian Taxpayers

over \$1 Billion

A Booz Allen Hamilton study concluded that without Canada's robust pharmaceutical wholesale distribution system it would cost the healthcare system an additional \$1 Billion to replicate the current safety and service levels under daily deliveries by manufacturers



BOARD OF DIRECTORS

➤ **John Targett - Chairman**

*Director, Purchasing & Distribution
uniPHARM Wholesale Drugs Ltd.*

➤ **Matthew Frisch**

*Vice President, Corporate Development
Kohl & Frisch Limited*

➤ **Ron Frisch**

*President & CEO
Kohl & Frisch Limited*

➤ **David Johnston**

*President & CEO
CAPDM
Non-voting member

➤ **Paula Keays**

*Senior Vice President, Pharmaceutical
Distribution and Operations
McKesson Canada*

➤ **María Teresa López**

*Vice President Finance, and CFO
Hoffmann-La Roche Limited*

➤ **Luc Martinovitch**

*Vice President & General Manager
McMahon Distributeur pharmaceutique inc.*

➤ **Dimitris Polygenis**

*Senior Vice President, Procurement and
Manufacturer Solutions
McKesson Canada*

➤ **Michel Robidoux**


*President & General Manager
Sandoz Canada Inc.*

➤ **Kevin Whibbs**

*Senior Vice President, Supply Chain and Logistics
Shoppers Drug Mart Inc.*

Driving the association's business is a Board of Directors composed of a diverse slate of skilled senior industry executives.

CAPDM staff are an invaluable resource as they keep members and the board up-to-date and informed by monitoring supply chain trends, public affairs, legislation, global activity and trade relation developments.



CAPDM works for its
Members and is made
stronger by its Members



DRIVING MEMBERSHIP VALUE

CAPDM Delivers

Effective Stakeholder Engagement

Achieving industry consensus means united advocacy on Canadian federal and provincial government issues. CAPDM builds a strong platform to consult on policy and legislation insuring that one collective voice is heard.

Targeted Educational Programs

Signature Events position members on the cutting-edge of industry developments. Relevant subject experts and government spokespeople address the hot-button pharmacy supply chain issues.

Exceptional Networking

CAPDM conferences, education forums, and special events gather leaders from across the industry. They facilitate a unique opportunity to interact formally and informally with colleagues from all sectors of the pharmacy supply chain.

Strategic & Collaborative Alliances

CAPDM connects trading partners and provides direct interaction with senior executives of Canada's major pharmacy supply chain organizations to facilitate the resolution of non-proprietary industry issues.

Leading Practices and Positions

CAPDM's advisory groups provide members from across the industry an opportunity to influence industry-wide initiatives and develop leading practices enhancing Canada's pharmacy supply chain.

Real-Time Communications

CAPDM places high emphasis on keeping its membership current with breaking industry news and developing issues via relevant and frequent communication.

Increased Visibility

CAPDM continually invests in communication strategies to raise awareness of the vital role Canada's pharmaceutical distributors deliver to Canadian stakeholders.

Results

CAPDM enhances market and business conditions to drive a safe, secure, efficient and reliable health care distribution system.

CAPDM's membership represents the **full spectrum** of all pharmacy supply chain trading partners



MEMBERSHIP CATEGORIES

Consolidated Distributor Member

- Full-service distributor
- Primary business: distribution of pharmaceutical products, sundries, health & beauty aids plus consumer products to retail pharmacies, hospitals and other institutions

Allied Distributor Member

- Actively engaged as a full-service distributor
- Primary business: distribution of pharmaceuticals products, sundries plus health and beauty aids to at least 25 wholly owned pharmacies or to at least 25 pharmacies that collectively own the distributor
- Must also sell products to other retail pharmacies and/or hospitals

Specialized Distributor Member

- Full-service distributor
- Primary business: distribution of specialty pharmaceutical products to retail pharmacies, hospitals and other institutions

Self-Distributing Pharmacy Chain Member

- Owner, operator and/or franchiser of a minimum of 25 retail stores selling pharmaceutical products, sundries, as well as health and beauty aids to the public
- Must have parallel, primary interest of distributing the same exclusively to its associated drug stores
- Must own/operate at least one distribution centre or have a contract with an outsourced service provider, managed under the control and direction of the Self-Distributing Pharmacy Chain

Associate Member & Service Provider

- Manufacturers of both brand-name and generic pharmacy products
- Goods and services providers supporting the pharmacy distribution chain

CAPDM MEMBER ORGANIZATIONS

COMPREHENSIVE INDUSTRY REPRESENTATION

CONSOLIDATED DISTRIBUTOR

- GAMMA Wholesale Drugs Limited
- Imperial Distributors Canada Inc.
- Kohl & Frisch Limited
- McKesson Canada
- McMahon Distributeur pharmaceutique inc.
- Nu-Quest Distribution Inc.

ALLIED DISTRIBUTOR

- uniPHARM Wholesale Drugs Ltd.

SPECIALIZED DISTRIBUTOR

- A&D Wholesale Ltd.
- Innomar Strategies (AmerisourceBergen)

SELF-DISTRIBUTING PHARMACY CHAIN

- Familiprix
- Lawtons Drugs / Sobeys Pharmacy Group
- Le Groupe Jean Coutu (PJC) Inc.
- Shoppers Drug Mart Inc.

MANUFACTURER

- Actavis Pharma Company
- Alcon, a Novartis company
- Allergan Inc.
- Amgen Canada Inc.
- Apotex Inc.
- Astellas Pharma Canada, Inc.
- AstraZeneca Canada Inc.
- Bayer Inc.
- BD Canada Inc.
- Boehringer Ingelheim (Canada) Ltd.
- Celgene Inc.
- Dr. Reddy's Laboratories Canada

- Ferring Inc.
- GlaxoSmithKline Inc.
- Hoffmann-La Roche Limited
- Jamp Pharma Corporation
- Janssen Inc.
- Leo Pharma Inc.
- Lundbeck Canada Inc.
- Lupin Pharma Canada Ltd.
- Merck Canada Inc.
- Mint Pharmaceuticals Inc.
- Mylan Pharmaceuticals ULC
- Novartis Pharmaceuticals Canada Inc.
- Odan Laboratories Ltd.
- Omron Healthcare Canada
- Pediapharm Inc.
- Pfizer Canada Inc.
- Pharmascience Inc.
- Purdue Pharma
- Sandoz Canada Inc.
- Sanofi-Aventis Canada Inc.
- Servier Canada Inc.
- SteriMax Inc.
- Takeda Canada Inc.
- Taro Pharmaceuticals Inc.
- TEVA Canada Limited
- Vertex Pharmaceuticals Inc.
- Wellesley Therapeutics Inc.

SERVICE PROVIDER

- Accuristix
- AGA Marvel
- American Aerogel
- ATS Healthcare Solutions
- Canadian Pharmaceutical Distribution Network (CPDN)

- CDMV Inc.
- Cryopak Industries (2007) ULC
- Dex Medical Distribution Inc.
- DHL Supply Chain
- Federal Express Canada Ltd.
- GMD Pharma Solutions
- i to i logistics inc.
- IMS Health|Brogan
- Inmar
- Jones Packaging Inc.
- Kuehne & Nagel Ltd.
- Lynden International Logistics Co.
- Pangaea Group
- Richards Packaging Inc.
- Rogue Transportation Services Inc.
- Shoppers Drug Mart Specialty Health Network Inc.
- Skelton Truck Lines Ltd.
- Stericycle ULC
- ThoughtSpeed eCommerce Ltd.



CAPDM SIGNATURE EVENTS

Annual Conference: A Working Summit: Held in early May, this must-attend conference provides a premier opportunity to tap into a dynamic pharmaceutical industry update. Strong delegate engagement and active cross-industry networking advance valuable industry partnerships.

Executive Conference: Each January, held in either Montreal or Toronto, this unique conference provides two days of one-on-one appointment schedules in a private and focused forum between pharmacy distributors and their trading partners. The business session focuses on key issues, regulations and logistics within the industry.

September Member Forum: This morning education session features industry leaders delivering valuable tactical information, technical practices and innovations for Canada's pharmacy supply chain. The afternoon features a collegial 'scramble' with ample networking opportunities at a top rated Canadian golf course.

Pharmacy Supply Chain "Boot Camp" & Government Reimbursement Update: Typically held in November, this essential education forum delivers a comprehensive orientation to new participants in Canada's pharmacy supply chain. The BOOT CAMP also provides an excellent opportunity for seasoned veterans and their organizations to tap into a wide-ranging industry update.

Subject Specific Seminars: Throughout each year, CAPDM offers seminars on timely and relevant topics for Members. These include: federal and provincial regulatory news, public and patient health issues, anti-counterfeit and security initiatives, environmental developments, temperature control, best practices, new distribution technologies and more.

The Hallmarks of a CAPDM Signature Event

Keeping members and stakeholders on the cutting-edge of industry trends, driving cross-industry collaboration and strengthening trading partner relationships.





CAPDM ADVISORY GROUPS

CAPDM Advisory Groups represent all key pharmacy and health care supply chain systems. They successfully establish **COLLABORATION** and build **CONSENSUS** among trading partners with a **COMMITMENT** to recommending improvements for best supply chain practices.

PARTIAL LIST OF ACTIVE CAPDM ADVISORY GROUPS:

Drug Shortage Advisory Group

Monitors on-going federal initiatives related to drug shortage strategies and acts in an advisory capacity to positively influence the future direction of drug shortage initiatives. This group ensures the roles and business needs of CAPDM members are understood and incorporated into future Health Canada strategies to strengthen approaches to drug shortages in Canada.

Education Advisory Group

Draws on a cross sector of CAPDM members to advise on the educational needs of the membership. This group also reviews past sessions with a view to enhance future offerings.

Regulatory Affairs Advisory Group

Responds to proposed or potential changes to Health Canada Regulations impacting the CAPDM membership. By enlisting a broad range of opinions and expertise, CAPDM is able to provide a balanced response, reflective of the membership's joint perspective on regulatory issues impacting their businesses.

Schulich Advisory Group - Pharmaceutical Supply Chain: A Comprehensive Approach

This offshoot of the Educational Advisory Group collaborated with the Schulich School of Business to develop Pharmaceutical Supply Chain: A Comprehensive Approach. CAPDM helped create, and continues to endorse and sponsor this certificate program which brings greater awareness to Canada's critically important Pharmacy Supply Chain. This one of a kind program, successfully launched in October of 2015, will be offered again in November 2016.

Vaccine Distribution Advisory Group

Provides guidance and feedback on a tactical process to ensure provincial vaccine distribution through retail channels is optimized.

Watchdog Advisory Group

Monitors industry trends and provides insight and feedback to ensure CAPDM and its members are proactive in their business planning.



LEADING PRACTICES & POSITION PAPERS

CAPDM Position Papers & Best Practices Resources

CAPDM members have access to research, industry & best practices documents that provide up-to-date guidelines on the ever-changing pharmacy supply chain landscape.

Best Practices Documents Include:

- Carrier Quality Agreement
- Quality Agreement Template for Trading Partners
- Returned Goods/Unsaleables (RGU)
- Back Order/Product Availability
- Expiry Dates
- Price Change
- Product Recall/Voluntary Withdrawal
- Safe and Secure
- Unauthorized Deductions

CAPDM Special Guideline Documents

CAPDM publishes and posts special guideline documents that address relevant and timely issues. Recent examples include:

- Cold Chain Consultants Annual Report 2014
- Pandemic Planning Guidelines & Checklist
- European Commission, Commission Guidelines on Good Distribution Practice of Medicinal Products for Human Use



Effectively Addressing Key Issues

CAPDM Advisory Groups identify business solutions on issues impacting the pharmacy supply chain and then develop industry position papers and leading practices guidelines. A valuable membership resource.

COMMUNICATION & PUBLICATIONS

CAPDM keeps the membership informed with timely updates and publications on important issues and developments in the pharmacy supply chain.

CAPSULE News: e-bulletin recaps CAPDM news, industry issues, trends and events.

Update Express: A frequent e-bulletin delivering breaking news and special announcements.

Event Recap: Missed a CAPDM event? This e-bulletin provides links to speaker presentation material with an event recap.

Calendar of Industry Events: An annual reference guide listing the dates and locations of professional development and networking events for every sector of the pharmacy supply chain.

Guidebook on Government Prescription Drug Reimbursement Plans & Related Programs:
Updated in 2016, this annual publication provides information on provincial drug benefit programs, including eligibility, prescription reimbursement, active beneficiaries, cost-sharing, expenditures and relevant government contacts.

KEEPING MEMBERS INFORMED AND UP-TO-DATE

In these times of unprecedented change, nothing supersedes the importance of communication.



WWW.CAPDM.CA

Members access updates, publications, events, event registration and the latest CAPDM activity on both the Public and Members Only sections.

The **most advanced industry** you never think of....

Thanks to the behind-the-scenes work of CAPDM members, every patient of every Canadian pharmacy has access to the drugs they need, when they need them, whether they live in an urban centre or rural area, and whether their pharmacy of choice is a large chain pharmacy or a smaller independent drug store.



Canadian Association for Pharmacy Distribution Management

3800 Steeles Ave W • Suite 301A • Woodbridge • ON • L4L 4G9

Tel: (905) 265-1706 • Fax: (905) 265-9372

info@capdm.ca • www.capdm.ca