

Logistics Case Study: Tamer Group Saudi Arabia

by Robeel Haq on May 24, 2010

Since its establishment as Saudi Arabia's first pharmacy in the 1920s, the Tamer Group has handled the promotion and distribution of numerous market-leading healthcare brands in the Kingdom, including Novartis, Roche, Covidien, Johnson & Johnson, Pfizer and UCB Bristol Meyers. However, its partnership with global powerhouses has not been limited to this sector alone, with successful forays into consumer goods distribution for the likes of Nestlé, Cadbury Chocolate, Proctor & Gamble and luxury brands such as Gucci, Valentino and Mont Blanc, to name a few.



"Saudi Arabia is a very large market and we cover the entire Kingdom, in addition to other Middle Eastern markets such as Bahrain and Yemen," explains Mohammed Tamer, managing partner of the Tamer Group.

With such diverse activities, a lot of businesses would struggle to cope with their supply chains. However, over the past 90 years, the Tamer Group has developed a world-class system for its warehousing and transportation, with storage facilities located in Jeddah, Riyadh, Khobar, Abha, Madina, Tabuk and Qasim. Earlier this year, the latest addition to this network - a 58,000m² distribution centre - was launched in the Al Khomra district of South Jeddah. The warehouse has already received a string of accolades, including ISO 9001:2008 certification, approval from the Ministry of Health, and a Good Warehousing Practices (GWP) award from Nestlé.

The new facility was opened after the Tamer Group received instructions from the Ministry of Health to move from its current location in the heart of the city. However, with a much larger amount of space than its predecessor, Tamer argues that the facility was also essential to support the company's business growth and enhance its supply chain operations to international standards.

"Our warehouses are usually split function, with healthcare in one section and consumer in the other," he says. "This latest facility has been approved to store pharmaceutical products and includes a 24,000 pallet capacity, with individual chambers for the different types of goods. It will truly enhance our Middle East distribution network and provide value-added services to customers."

The Tamer Group sources its products from a number of international locations, with a primary focus on Europe and the Far East. "Our products are transported by a combination of seafreight, airfreight, courier and land transport to Saudi Arabia," says Tamer. "Most of the goods arrive by sea, although our temperature-sensitive medical items are usually received by air."

Distribution operations are mainly conducted in-house and overlooked by Toufiq Chawdhury, Tamer Group's national distribution manager. "Only the transportation is outsourced, as this process is easier to manage with a third party supplier, but the rest is managed in-house, including customs clearance," he confirms. "We currently deliver to more than 300 customers per day and our distribution network extends to more than 16,000 pharmacies within the Kingdom, and as well as hospitals and polyclinics."

More recently, the company has contracted Supply Network Solutions (SNS) to conduct a full logistics audit and offer consultancy services to ensure the maximum utilisation of Tamer Group's resources, whilst lowering its operational costs. The study consists of reviewing infrastructure, IT systems, current processes and overall supply chain structure.

"Although logistics in Saudi Arabia is considerably behind markets such as the UK, this industry is booming and the potential to develop is very apparent," concludes Chawdhury. "Our plan is to eventually create a separate 3PL

company to look after the receiving, storing, warehousing and distribution of customer goods for the Tamer Group and other companies.”