# Transforming healthcare logistics: the future up to 2025



In an evolving landscape driven by demographic changes and advancements in technology, the healthcare sector is undergoing significant transformation. Scott Szwast, Vice President of International and Healthcare Strategy at UPS Healthcare, recently shared insights on the projected developments in healthcare logistics and supply chains up to 2025. The discussion, highlighted by the European Pharmaceutical Manufacturer, addresses the vital need for innovative solutions in response to the increasing demand for healthcare services.

As populations age and chronic illnesses rise, the healthcare industry's operational dynamics are shifting drastically. According to projections from the OECD, healthcare expenditure in Europe is expected to increase by 350% by 2050. This surge in demand accentuates the importance of precision logistics, as each medical shipment must be delivered on time and maintained at the correct temperature— a critical factor in patient care.

A striking trend is the rise of home health services, bolstered by technological advancements that have transformed patient experiences both at home and within clinical environments. The COVID-19 pandemic catalysed this change, as healthcare must evolve in tandem with growing patient expectations for convenience. Notably, telemedicine has seen widespread adoption, with countries such as Denmark leading the way in remote monitoring for elderly patients with chronic conditions. This system has proven effective, achieving a notable reduction in hospital admissions by 60% and lowering mortality rates by 40%, according to Szwast’s observations.

The emergence of decentralised healthcare signifies a pivotal shift in supply chain operations. With strategic investment and innovative design, supply chains are expected to transition from basic storage and transportation functions to active participants in healthcare delivery. This active engagement is projected to enhance patient outcomes significantly.

In terms of technology, the healthcare sector is at the forefront of digitisation, utilising advanced tools such as artificial intelligence (AI) and automated systems to enhance operational efficiency. Szwast emphasised the revolutionary potential AI holds for healthcare, particularly in improving diagnostic accuracy, tailoring treatments, and optimising operations. Moreover, sophisticated supply chains increasingly rely on predictive models powered by data analytics, allowing for timely responses to potential logistical threats.

Equally important is the aspect of control over data streams — an essential component that enables supply chains to function cohesively from a 'control tower' perspective. This comprehensive oversight integrates data from the point of pick-up to delivery, creating a more resilient and smart supply chain capable of overcoming disruptions.

Sustainability also remains a critical consideration amidst these advancements. The healthcare sector contributes to 4.4% of global CO2 emissions, a statistic that surpasses those of both aviation and shipping. Approximately two-thirds of emissions are attributed to "Scope 3" activities, which encompass indirect operations like transportation and packaging. Szwast pointed out the dual challenge of minimising environmental impact while seizing opportunities for sustainability gains through initiatives such as recyclable packaging, renewable energy, and reduced waste.

As these trends unfold, UPS Healthcare anticipates an increasing demand for adaptable and efficient supply chains capable of meeting the future of healthcare. A small percentage of pharmaceutical shipments compromised by temperature variations could incur costs amounting to millions, demonstrating the critical role of logistics in patient care. The necessity for robust, adaptable, and sustainable supply chains is clear, guiding the healthcare industry toward its next phase of evolution.

Source: [Noah Wire Services](https://www.noahwire.com)

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