



The Biggest Security Threats to Pharmaceutical Companies

by Resolver

The [global pharmaceutical market](#) is worth approximately \$934.8 billion and is estimated to reach over \$1,170 billion in 2021, with locations spanning all continents. But with any global growth, so comes the growth of threats impacting the health of the industry.

For security professionals this means additional planning for a wide range of potential security scenarios and develop, implement and execute plans that align to the identified risks for each critical facility. A single pharmaceutical company can have presence in various countries spanning multiple continents – each with a different design and function. Corporate headquarters may be located on one continent with regional office buildings, manufacturing facilities, warehouses, distribution centers and research facilities spread across various locations. Each

facility presents its own threats. Therefore, [the security team must be prepared](#) to protect the corporation's assets with both proactive and reactionary plans.

In order to secure the pharmaceutical supply chain and reduce the influx of counterfeit drugs, it is critical to have a holistic brand protection and anti-counterfeit strategy that incorporates both internal and external stakeholders.

According to a study conducted by Pharma IQ, only 53% of respondents in the pharmaceutical industry state that their organization has a brand protection strategy in place. The more shocking piece of this was that 26% don't have a brand protection strategy and/or plans to put one in place at all.

Counterfeit Drugs

According to [Pharmaceutical Outsourcing](#), “Counterfeiting is viewed as a serious public health menace promoted by criminals with little regard for the health and safety of patients which requires a combined public –private sector response.”

The [counterfeit medicine market is more lucrative than the narcotics business](#) with the World Health Organization estimating that counterfeiting costs the global pharma industry \$75 billion USD a year. The Criminal Intelligence Service Canada says that “Most estimates range in the billions annually for global losses.”

With that in mind, it’s unsurprising that the majority of pharmaceutical companies believe that the illegal use of their brand name on these counterfeit products threatens the integrity of the company that they are trying to represent. As more pharmaceuticals are being sold via the internet, this concern is only getting worse.

Many companies are doing what they can to try and mitigate this risk. By joining organizations like the [International Anti-Counterfeiting Coalition Inc. \(IACC\)](#), a non-profit organization devoted to combating product counterfeiting and piracy, they are aiming to protect themselves against counterfeit incidents.

In addition to lost revenue, [counterfeiting imposes other costs](#) including increased costs to secure the supply chain, investments in anti-counterfeiting technologies, potential reputational damage and risk of liability. So, the question we have to ask the 53% of organizations that don’t have a brand protection strategy in place is...why not?

“

The Criminal Intelligence Service Canada says that ‘Most estimates range in the billions annually for global losses.’

”

Supply Chain Disruption

After prescription drugs leave manufacturing facilities, they generally go through a number of wholesale and retail drug distributors before ultimately reaching the local pharmacy or hospital.

Although the shipping and handling of the drugs takes place under secure, controlled and oftentimes regulated conditions, every step along the pharmaceutical supply chain presents an opportunity for tampering or distraction by criminals.

The [U.S. Drug Supply Chain Security Act](#), for example, requires pharmaceutical firms to add serial numbers to all packages, which should aid in tracking drugs through the supply chain.

Some manufacturers have gone to great lengths to protect the pharmaceutical supply chain by introducing innovative security measures where they tag individual bottles of medication with small

electromagnetic chips known as radio frequency identification (RFID) tags, which enable pharmaceutical manufacturers and wholesale distributors to more closely track products as they move throughout the distribution chain.





Measures of Defense: Why Brand Protection Matters

Every year hundreds of thousands of people die due to counterfeit drugs. Some counterfeits even include things like printer ink, paint and arsenic. No doubt these have devastating consequences to the person ingesting them and end up being costly to the brand that has been replicated.

For pharmaceutical companies, any of the above issues can severely damage its brand reputation. In order to protect their brand, companies have to:

- Protect their customers: Whether a drug has been replaced with an incorrect dose, or replaced with a placebo, people depend on these life-saving drugs. If someone is taking an

incorrect dose, their life is at risk.

- Protect the bottom line: In an innovative industry where R&D leads the priority list, lost revenue to counterfeits and other life-threatening incidents, can reduce returns on investment.
- Protect their reputation: When a consumer purchases a drug from your brand, they are very literally putting their life and health in your hands. If a consumer can't trust you, your organization will suffer. So...how do you protect your organization?

As the counterfeit market continues to grow, security professionals need to look beyond traditional methods of securing the organization. They need full insight into all locations, both physical and

online, that may at high risk of incidents occurring. Security professionals in the pharmaceutical industry can't rely on slow, out-of-date, inefficient tools when they are protecting something as critical as people's health and safety.

For a [security team to be successful](#), they need to be able to actively monitor, report and analyze data across multiple locations, time zones, and political climates in order to be both proactive and reactive to potential threats. To do so, they need a tool that gives them the ability to easily report incidents, review the data in a centralized location to make data-driven decisions on next steps.

Obtaining budget for this type of tool can be challenging. Security teams are asked to [build the business case](#)

“

When a single incident can cause irreversible damage, it's not enough to be reactive.

”

to prove the cost of what they are trying to protect and the ROI of investing in software to help do that. But while you're busy protecting the organization, you don't have time to research the true cost of a security failure, and in many cases, the real costs are not known or considered. A lack of understanding of security's return on investment leads to a view that security is simply a cost, with limited positive contribution to the company's net results.

Corporate Security teams across industries have the same struggle. How do you prove the value of what your team is doing when, if you're doing your job right, the rest of the organization doesn't know that you're doing your job?

When a single incident can cause irreversible damage, it's not enough to be reactive. Resolver helps reputable pharmaceutical companies like yours get clear insight into what's happening organization-wide so you can be proactive in protecting your people, your brand, and the bottom line.

[Learn how Resolver helps companies like Takeda, Novartis, and Johnson & Johnson protect what matters most to them.](#)

About Resolver

Resolver helps the world's leading organizations reduce the frequency and severity of negative events. Risk, security and resilience professionals use our software solutions to provide actionable insights and control operational costs.