

Growth under Constraint: Managing Shortages at Novo Nordisk

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Abstract. This case examines the strategic and operational challenges faced by Novo Nordisk amid unprecedented global demand for its GLP-1 drugs, Ozempic and Wegovy. Despite strong financial performance and leadership in diabetes and obesity care, the company struggled with persistent supply shortages driven by manufacturing bottlenecks, particularly in the highly regulated fill-and-finish stage, and vulnerabilities in cold-chain logistics. At the same time, Novo Nordisk pursued aggressive expansion through major capital investments and acquisitions, while exploring innovation in the form of an oral semaglutide pill requiring significantly higher production capacity. The case situates these challenges within a rapidly expanding market, with the global weight-loss drug industry projected to reach US\$150 billion by 2030, attracting intense competition from firms such as Eli Lilly and Company. It highlights how operational constraints, demand forecasting gaps, and strategic trade-offs between scaling supply and sustaining innovation created a critical inflection point for leadership. The case ultimately explores whether Novo Nordisk can balance growth, capacity expansion, and competitive positioning in a high-stakes, high-growth pharmaceutical landscape.

Keywords: supply chain bottlenecks, demand–supply mismatch, operations strategy, competitive dynamics, strategic trade-offs, capacity expansion & vertical integration.

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1. **Disclaimer:** This case has been written on the basis of published sources only. Consequently, the interpretations and perspectives presented in this case are not necessarily those of Novo Nordisk or any of its employees.

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1. Introduction

In June 2024, Novo Nordisk faced challenges amid industry growth in obesity medicines. The company announced a US\$4.1 billion investment to expand its U.S. manufacturing footprint and increase production. This investment was intended to establish a second fill-and-finish facility alongside the company's three existing U.S. facilities.² In February 2024, Lars Fruergaard Jørgensen, CEO and President of Novo Nordisk, confronted a major operations and supply chain crisis at the company's global headquarters in Denmark. Novo Nordisk reached a pivotal moment as it grappled with supply issues amid surging demand for its weight-loss drugs, such as Ozempic and Wegovy. Despite strong financial performance and market leadership, the Danish pharma giant faced a critical decision.

The company wanted to move beyond injectable weight-loss therapies by developing an oral semaglutide pill, promoted as a less invasive alternative with the potential to expand its revenue base. However, the oral treatment required a 50-milligram dose of semaglutide, nearly twenty times the quantity used in Wegovy's highest weekly injection. At the same time, Novo Nordisk's manufacturing capacity was under considerable strain as it struggled to keep pace with rapidly increasing demand.³ Meanwhile, Ozempic, the diabetes drug, and Wegovy, the obesity drug, had been in short supply for more than two years.⁴ The company had been unable to meet demand for Wegovy and, as a result, restricted the number of U.S. patients who could initiate treatment. By January 2024, four of the five Wegovy dose strengths were still in shortage across the United States.⁵ The scale of the demand-capacity gap was stark. Novo Nordisk's initial forecasts had projected roughly 400,000 U.S. Wegovy patients by the end of 2022, yet actual demand reached approximately 1.2 million patients by the fourth quarter of that year, roughly three times the planning assumption.⁶ By the fall of 2024, more than 25,000 new patients were initiating Wegovy each week in the United States, even as the company worked to expand output.⁷

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