

Case Study

AUTOMATED GLOBAL SOLUTIONS TO MEET EXPANDING GLOBAL NEEDS



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**Fortune 500
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the world

Successful deployments
**In Eight
Countries**

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Leader**
in integrated
health solutions

Overview

This SupplyCopia client created a new and innovative business model, through which they would manage the end-to-end operations of hospital Cath Labs, and in turn, free hospitals to focus on patients and outcomes.

With an innovative “fee per procedure” pricing model, they introduced efficiencies of scale that hospitals could not achieve on their own. As a result of this model, ongoing risk would transfer from hospitals to our client.

Operational:

1. **Reduce burden:** Free up hospital resources by delivering an integrated solution (people, products, technology and process) that allow hospitals more time to focus on patients.
2. **Simplify pricing:** Hospital supply chain departments can concentrate on more value-added tasks, as the integrated model reduces their need to negotiate with hundreds of suppliers for thousands of products.
3. **Improve internal processes:** With a process that was originally designed for a single geography, our client needed to re-design workflow to serve a global client base.
4. **Improve supplier relationships:** Our client needed to provide supplies for the entire Cath Lab, which included both their products and competitors' products. The supplier relationship was significant, and they wanted to maximize the benefits for all parties.
5. **Improve information flow:** As it grew, this business model proliferated to multiple geographies. Improving information flow and insights to support and manage the entire operation was imperative.
6. **Improve time to decision:** With operations now involving multiple geographies, time zones, and currencies, it was essential that both decision-making and speed to decision were improved, along with efficient communication to stakeholders.

Goals & Objectives

Strategic:

1. **Build scalability:** Leverage the existing entity serving one country (Italy) and expand the model to serve hospitals worldwide.
2. **Transfer risk:** Hospitals would transfer the entire risk to this SupplyCopia client by adopting the fee per procedure model. Our client must manage the risk and create balance between revenues and utilization.
3. **Improve patient outcomes:** By outsourcing the management of their cath labs, hospitals would establish more time to care for patients and enhance outcomes.
4. **Innovate:** This client would leverage intelligence from procedures and patient outcomes to improve the quality of medical devices, creating even greater upstream benefits.



Challenges

The opportunities for global expansion and success were significant, but so were the challenges. In every area of the business, complexity spawned new challenges.

1. **Business Model:** The inherited business model, technology infrastructure, people, processes, delivery mechanisms and supplier relationships had to be retained, as well as improved to serve the current client base. But they also had to be re-engineered to support other geographies.
2. **Technology infrastructure:** The current ERP infrastructure was old, and the technology provider had stopped supporting the software version in use. Over time, the internal IT team had completed various customizations and fixes, without any documentation for the changes.
3. **Multiple disparate systems:** Vital information was stored in various methods; none were in the cloud or integrated in systems that could speak to one another.
4. **Supplier relationships:** Each supplier relationship had to be navigated with extreme caution; many were and remain direct competitors of this SupplyCopia client.
5. **Pricing:** Previously suppliers had provided pricing for individual hospitals. The new model had to allow suppliers to provide pricing to a country in general.
6. **Data and Pricing Privacy:** Within this unique and innovative integrated delivery model, pricing from competitors would have to be included. Our client needed to construct a hard wall, to ensure pricing data was seen by only those allowed to do so.
7. **Languages and currency:** This client was supporting hospitals in multiple geographies, which drove significant challenges around currency fluctuations & languages. Each geography needed to be served in its language and currency, while purchasing was conducted in dollar and euro terms.
8. **Geopolitical risks:** A significant risk in some countries, our client needed to continually monitor, analyze and proactively manage based on geopolitical shifts
9. **Supplier risk:** In some geographies, most of product distribution was managed through distributors, which had to be monitored and managed to remove any supply chain delivery risks.

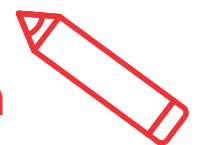


Creating a Solution

To be acceptable, a solution had to deliver specific pre-requisites and attributes that would support and enable global business:

1. **Create a single, global source of truth:** If the data is suspect, users lose confidence in the effort; usage and adoption are negatively impacted.
2. **Highly scalable:** The system needed to be scalable, so onboarding new hospitals, regardless of geography, would be easy, without incremental effort or cost.
3. **Continual generation of insights:** The system had to be smart, generating insights & recommendations that could be leveraged by multiple stakeholders, including management, operations, supply chain leaders, category managers and process experts.
4. **Automatically updated:** Spend data, fee per procedure, utilization data, product expiration information, and Profit/Loss per hospital needed frequent updates, so insights, recommendations and actions would be measurable and implementable.
5. **User friendly:** The system had to deliver insights and recommendations in a "PUSH FORMAT" that would assure ease of use and consistent adoption.
6. **Highly secure:** The decision support system would consist of highly confidential and private information, so it had to adhere to the highest levels of security.
7. **Cloud-based for global accessibility:** With global stakeholders, the system had to be available in the cloud, 24/7/365, and support multi-lingual, multi-currency requirements.

Steps To Implementation



Create a Data Lake

With the challenges of existing systems, a cloud-based data lake was built to act as the single source of truth for product information, product pricing, supplier data, hospital utilization, warehouse and inventory.

Integration with the legacy system

Crucial financial information was stored in the legacy system, so the data lake was integrated with the ERP, and a bi-directional flow of information was established.

Empowering sales teams

By building a standardized bill of materials for all 65 procedures under consideration, a new solution was created that empowered the sales teams to respond to RFPs, and even create customized quotes for each hospital. With the new solution in place, sales teams could involve hospitals in real-time.

Empowering procurement and supply chain teams

Along with the latest and best data sources, teams were empowered with strategic sourcing support, including:

- Request for proposal (RFP)
- Contract management systems (CMS)
- Advanced analytics software and solutions

This allowed the supply chain team to reduce the costs of products, while improving communications and relationships with suppliers.

Empowering clinical teams

Clinical teams had to access multiple systems, data sources and perform manual intervention to support internal and external stakeholders and processes. With the new solution, they were able to leverage the centralized data lake to support the quote process, create new Bills of Materials (BOM), and support hospital requirements.

Advanced analytics

New, advanced analytics using Machine Learning (ML) were designed and created for our client and hospitals. These analytics provided insights and recommendations to all stakeholders. With a new “win-win” solution designed, our client could attain and increase profitability, while hospitals reduced the cost of procedures.



Key Results

- Achieve profitability within the first year of operation
- Move manual and semi-automatic processes to digital, increasing efficiency and achieving significant savings
- Reduce time to respond to quotes 30%
- Reduce obsolete inventory
- Increase visibility and create insights for management, supporting faster and more accurate business decisions
- Create timely reports and proactive Profit/Loss management
- Automate RFPs and supplier integration, leading to standardization and cost savings

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