

The Health and Personal Care
Logistics Conference, Inc.

“When can we stop talking about Supply Chain?”

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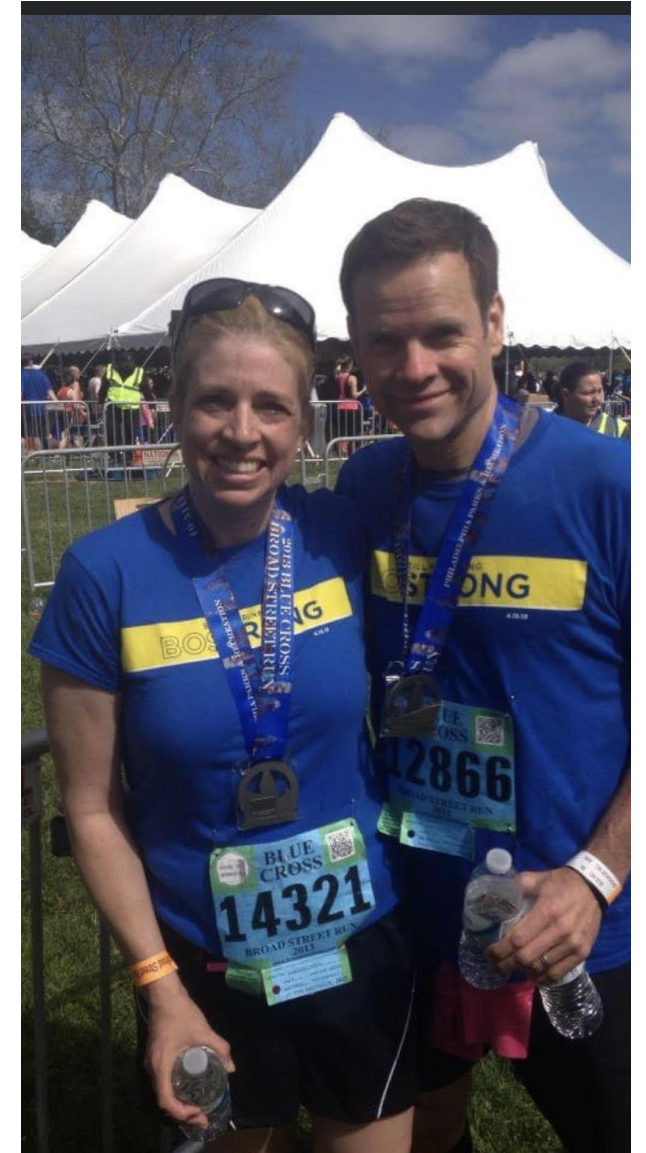
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COVID Impacted Supply Chains regardless of preparation

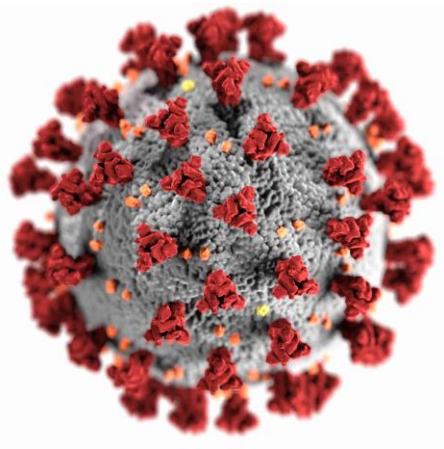
- Poorly constructed Supply Chains continued to perform poorly
- Well constructed Supply Chains were impacted severely
- Increased attention improved performance of both in the short term
 - Was the behavior change permanent?



“Business as Usual”

- There is an inherent belief that business has a “natural set point”
- While we know change is inevitable, we approach work as “business as usual”
 - Return to Office
 - Back on Track
 - “Normal” Supply Chain
 - “Normal” meeting schedules
 - “Traditional” customer service
- Increased transparency illustrates the “good old days” weren’t so good
- There is no “business as usual”
- We can’t stop talking about Supply Chain

The Ripple Effects of COVID will last a decade



2023
3 Years

Revenge
of
Purchasing

Hospitals

2025
5 Years

Made in
America
Price
Increase

Manufacturers

2030
10 Years

Incentized
Hospice for
over 85 yr
old patients

Consumer



**What is the
new way to
work with
partners?**

Communication and Transparency will be required

- Even though customers are hard to reach now, they will open up communications as they realize they can't tackle issues alone
- Firms that can provide the best data analytics will have a competitive advantage
 - Real-time data
 - Inventory management partnership
- Relationships still matter
 - How to build trust
 - How to open communication
 - Strategic alliances are critical

A Framework for Strategic Alliances

Adding

Adding value to products

Improving

Improving market access

Strengthening

Strengthening operations

Adding

Adding technological strength

Enhancing

Enhancing strategic growth

Enhancing

Enhancing organizational skills

Building

Building financial strength



The value of information

- In modern supply chains, information replaces inventory
- Information provides a tremendous opportunity to improve the way the supply chain is designed and managed
- Uses of the information...
 - Helps reduce variability in the supply chain
 - Helps suppliers make better forecasts, accounting for promotions and market changes
 - Enables the coordination of manufacturing and distribution systems and strategies
 - Enables retailers to better serve their customers by offering tools for locating desired items
 - Enables retailers to react and adapt to supply problems more rapidly
 - Enables lead time reductions

Emphasize Total Transaction Cost over Individual Components

- Total transactional cost is the price a customer pays to transfer a product from the manufacturer warehouse to the patient
 - Shipping
 - Packaging
 - Delivery options
 - Staff labor once on site
 - Patient readiness
- If you are talking about the cost of cardboard, you have already lost

Insights from Villanova

CERTIFICATE IN HEALTHCARE DESIGN & INNOVATION

- We have created a new multi-disciplinary executive education program to look at Value Creation in Healthcare
- Current program has hospital administration, medical device, DME, and healthcare practitioners
- Our first module focuses on Supply Chain
 - Experiential learning with deliverable specific to your role.
 - Deliverables include topics of supply chain complexity, cooperation, risk and transformation



Insights from Villanova

CERTIFICATE IN HEALTHCARE
DESIGN & INNOVATION

Hospitals are still
experiencing key out of
stocks on
pharmaceuticals

- Most recent was 5FU oncology drug
- OTC Tylenol and Motrin

While Supply Chains
work best with a rational
approach, recent trauma
still driving irrational
behavior

- Hoarding of supplies (i.e. ventilators)
- The bullwhip effect
- Short-term cost driving decisions

Find out more about the program at [Villanova.edu/HDI](https://www.villanova.edu/HDI)

Questions?

