

***“Medical Device Outsourcing”***  
***Medical Device Industry Supply Chain Council***  
***Webinar April 23, 2009***



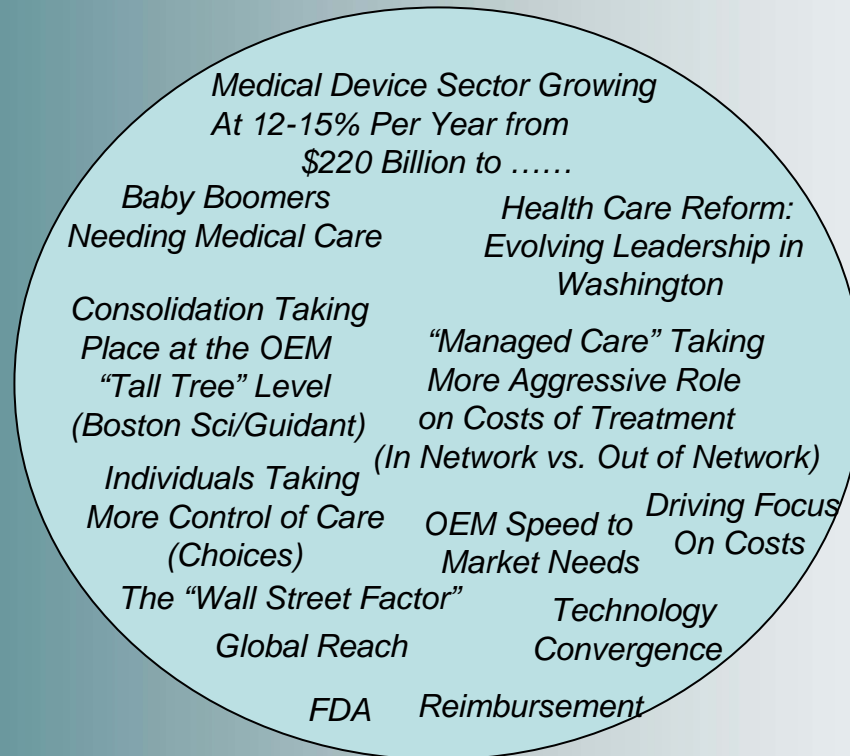
Christopher A. Oleksy  
President  
ATEK Medical  
[coleksy@ATEKmedical.com](mailto:coleksy@ATEKmedical.com)  
[www.ATEKmedical.com](http://www.ATEKmedical.com)

## ***Setting the Stage: Christopher Oleksy, CPIM***

- **Graduated 1984, Indiana University Kelly Business School**  
(Quantitative Business Analysis & Production Operations Mgmt.)
- **14 Years Dow Corning Corporation** (World Wide Supply Chain Leader)
  - (From 'Functions/Plants to Supply Chain Businesses')
  - (Created Numerous Strategic Alliance Relationships)
- **7 Years Medtronic Corporation**
  - 5 Years, Led Cardiac Surgery Supply Chain Alignment/Compression  
16 facilities - > 7  
Aligned Previous Acquisition Derived Supply Chains  
Outsourced Facilities to Supplier/Partners
  - 2 Years Global Business Systems  
Led Mfg. Council, SAP Make Ldr., SAP Program Office Leader
- **4 Years President of ATEK Medical**

# Where is Health Care Going?

## ***“The Oleksy Crystal Ball.. Changes Are Coming..”***



***What Does All This Mean to Managing Supply Chains?***

# ***The Supply Chain ‘Sourcing Make or Break Value Proposition is Simple’***

***“After 25 Years of Implementing Supply Chain/Sourcing Solutions,  
I Discovered “The Oleksy Supply Chain Algorithm”:***

And... It’s as Simple and Straight Forward as  $E=mc^2$

**SUCCESS = RP -> RT @ RT in RP**

**FAILURE = RP NOT -> RT @ RT in RP**

***Translation: RP -> RT @ RT in RP***

**RP (Right Person)  
-> (Doing)**

**RT (Right Thing)  
@ (At)**

**RT (Right Time)  
in RP (Right Place)**

**FAILURE = RP NOT -> RT @ RT in RP**

## Another Way to View This is :

Opportunity Value is:

RP (Right Person)

-> (Doing)

RT (Right Thing)

@ (At)

RT (Right Time)

in RP (Right Place)

Opportunity Cost is:

RP NOT -> RT @ RT in RP

# Regardless of Where you Sit Within a Supply or Value Chain, Your Organization Must Master the Oleksy Algorithm..

RP (Right Person)

-> (Doing)

RT (Right Thing)

@ (At)

RT (Right Time)

in RP (Right Place)

*What Happens if we Don't?*

# Fundamental Supply Chain Sourcing “Challenge”..

*“We Solve The Wrong Problem..”*

**Why Does this Happen?**

*“Mis-Aligned Solution..”*

**OR..**

*“The Wrong Execution of the Right Idea”*



***“Solving The Wrong Problem..”***

***One of the Most Common Supply Chain  
Errors :***

***Lowering Inventory Levels  
Without Understanding the Reason **FOR**  
The Inventory***

***So How Do We Not Solve the Wrong Problem?***



# Alignment..... And Re-Alignment Will Make or Break Your Supply Chain/Business!

*What is Your Company's Business Direction?*



*Configure The Direction! (Operations Configuration) RP->RT@RT in RP*

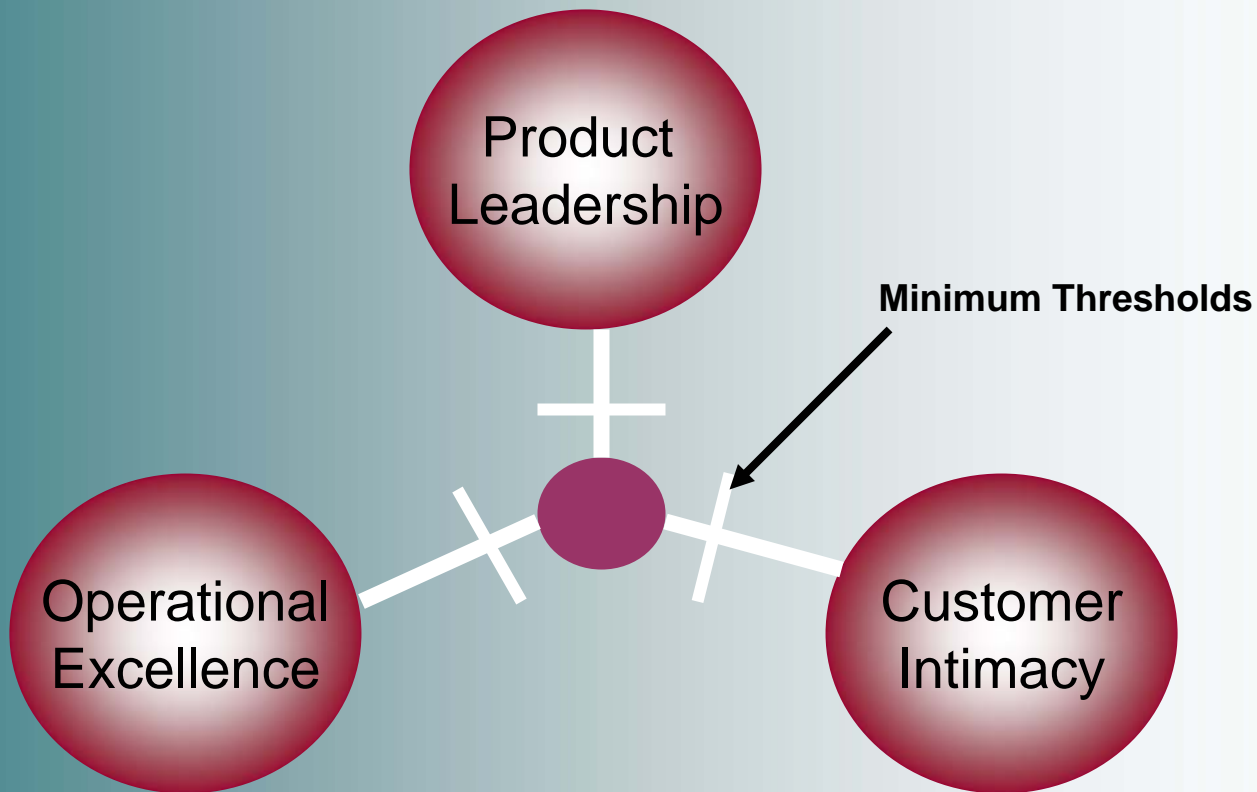


*Actions! (Who Does What?) RP->RT@RT in RP*



*Measure for Success! (Walking the Talk)*

# ***A Best Practice: Business Model Assessment***



# Alignment..... And Re-Alignment Will Make or Break Your Supply Chain!

*What is Your Company's Business Direction?(Business Model Assessment,*



*Configure The Direction! (Operations Configuration) RP->RT@RT in RP*



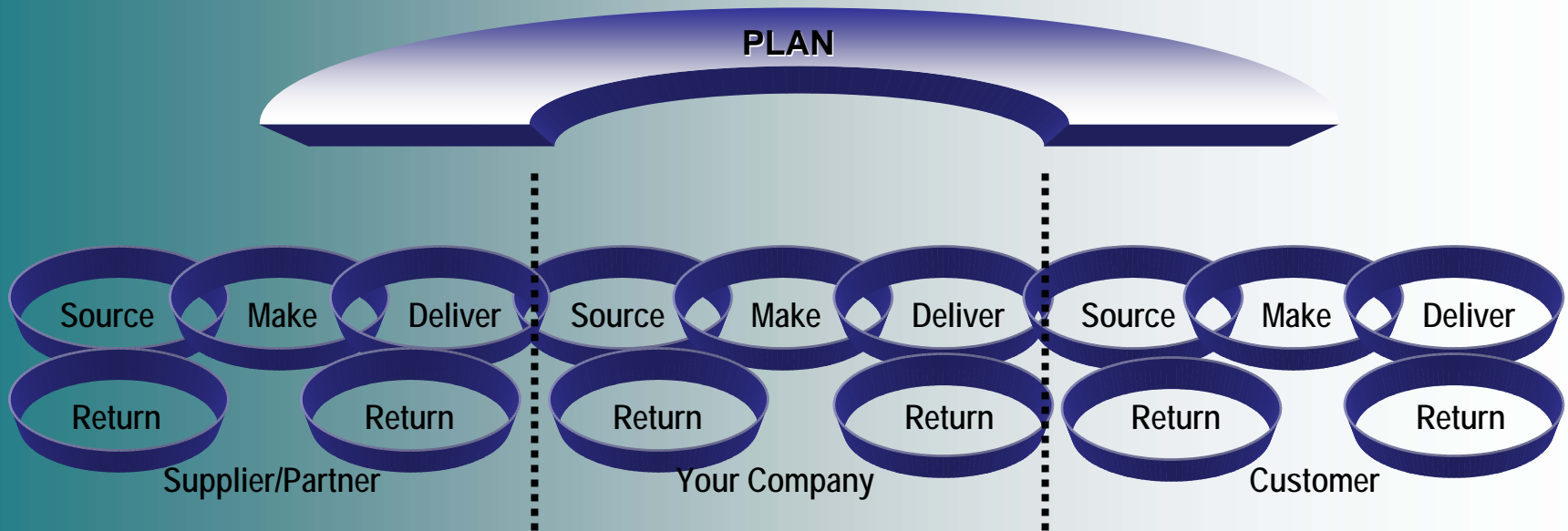
*Actions! (Who Does What?) RP->RT@RT in RP*



*Measure for Success! (Walking the Talk)*

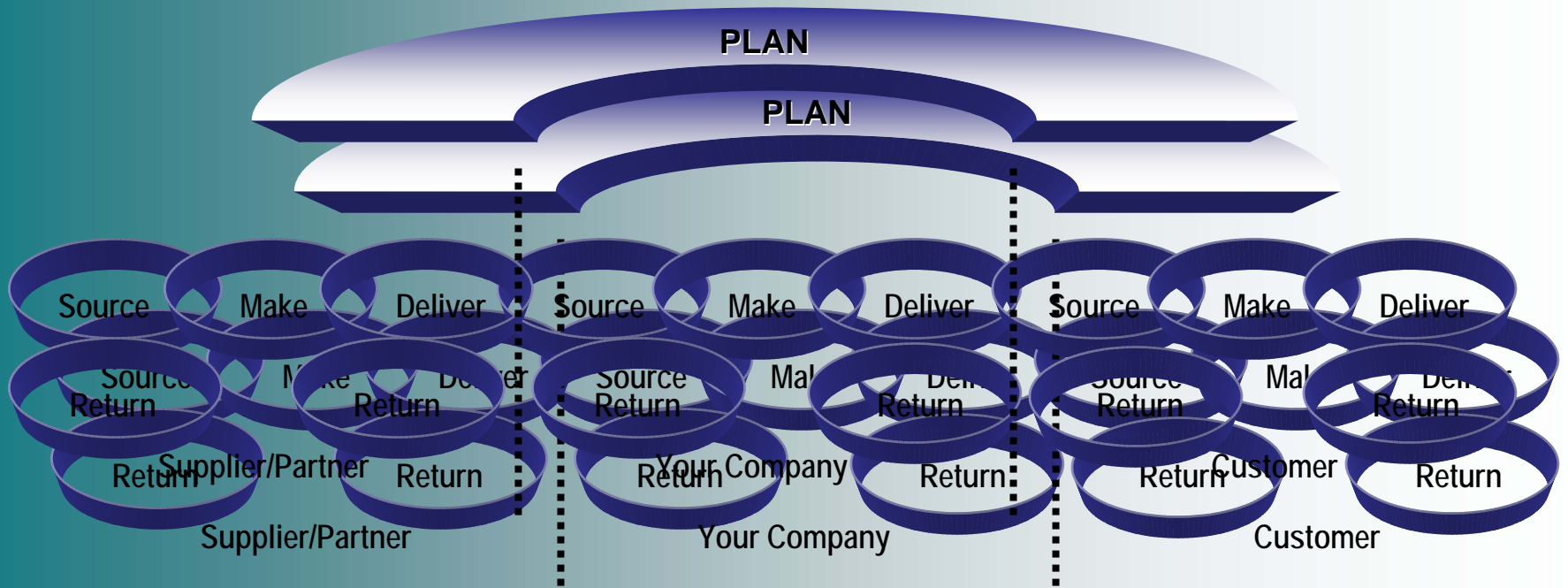
*SCOR<sup>®</sup> Supply Chain Operations Reference Very Helpful Here -> [www.supply-chain.org](http://www.supply-chain.org)*

## Typical Supply Chain Components

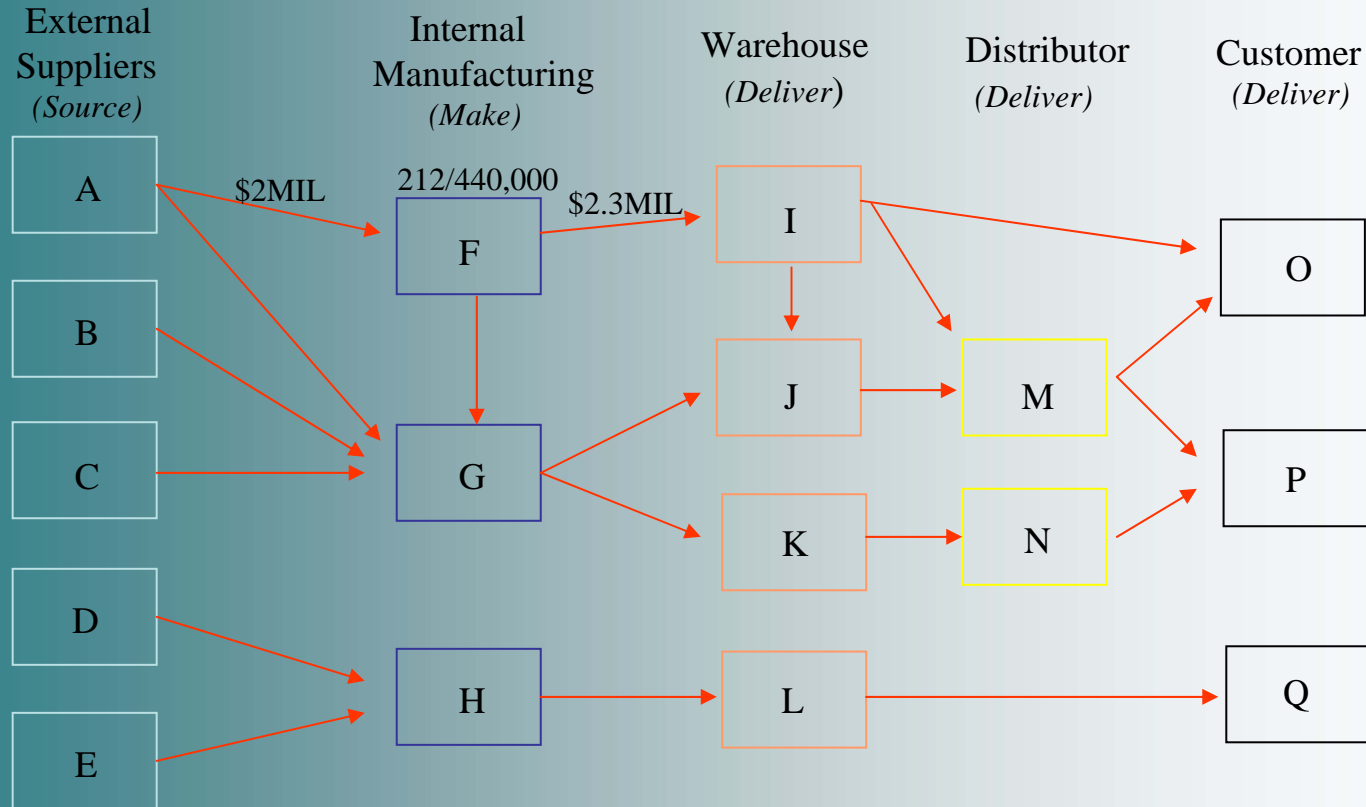


**What Does *Consolidation* Within The Medical Device Industry Do To/For Outsourcing?**

***Common Supply Chain Challenge in The Medical Device Industry is Over-Lapping Supply Chains Due to Acquisitions Or Consolidations.***

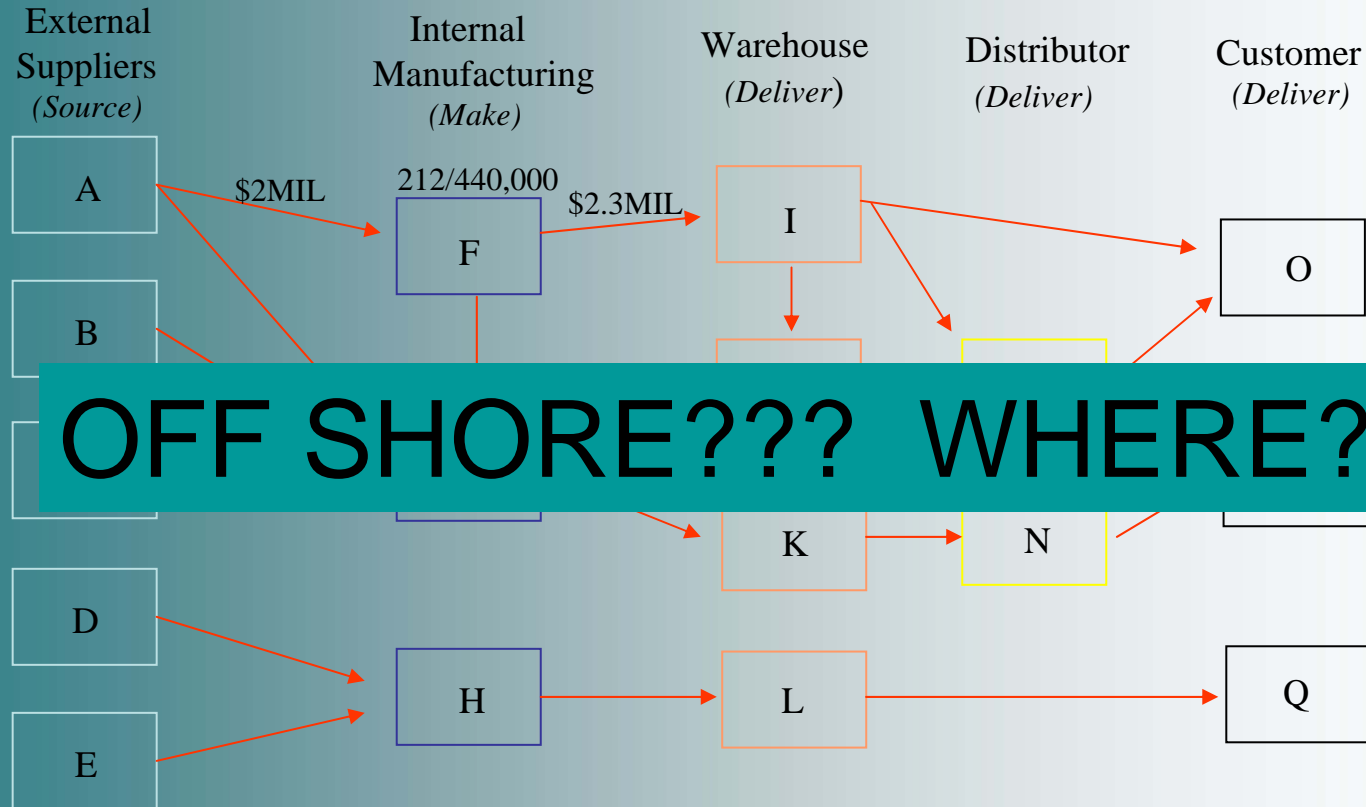


# Supply Chain Thread Analysis Let's You Look at Overlaps



**See Oleksy MPO Article From May 2006,  
"Your Supply Chain is Worth a Thousand \$"**

# Supply Chain Thread Analysis Let's You Look at Overlaps



**See Oleksy MPO Article From May 2006,  
"Your Supply Chain is Worth a Thousand \$"**



# Another Sourcing Challenge...

## *Convergence of Needs...*

***Total System Design Collaboration (TSDC)***  
*(Oleksy Article for Medical Device Technology – October 2006)*

Figure #1

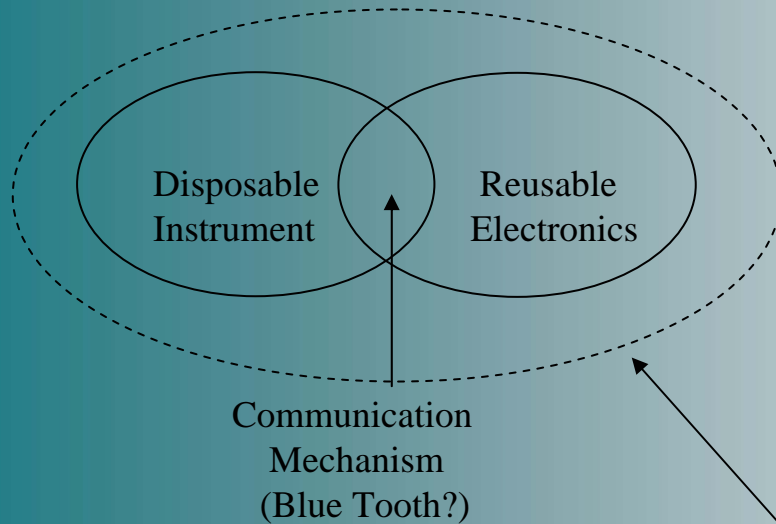
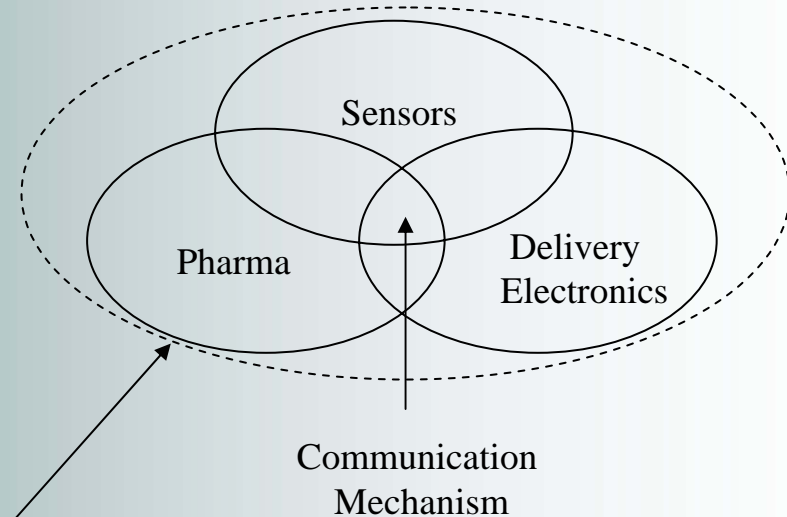


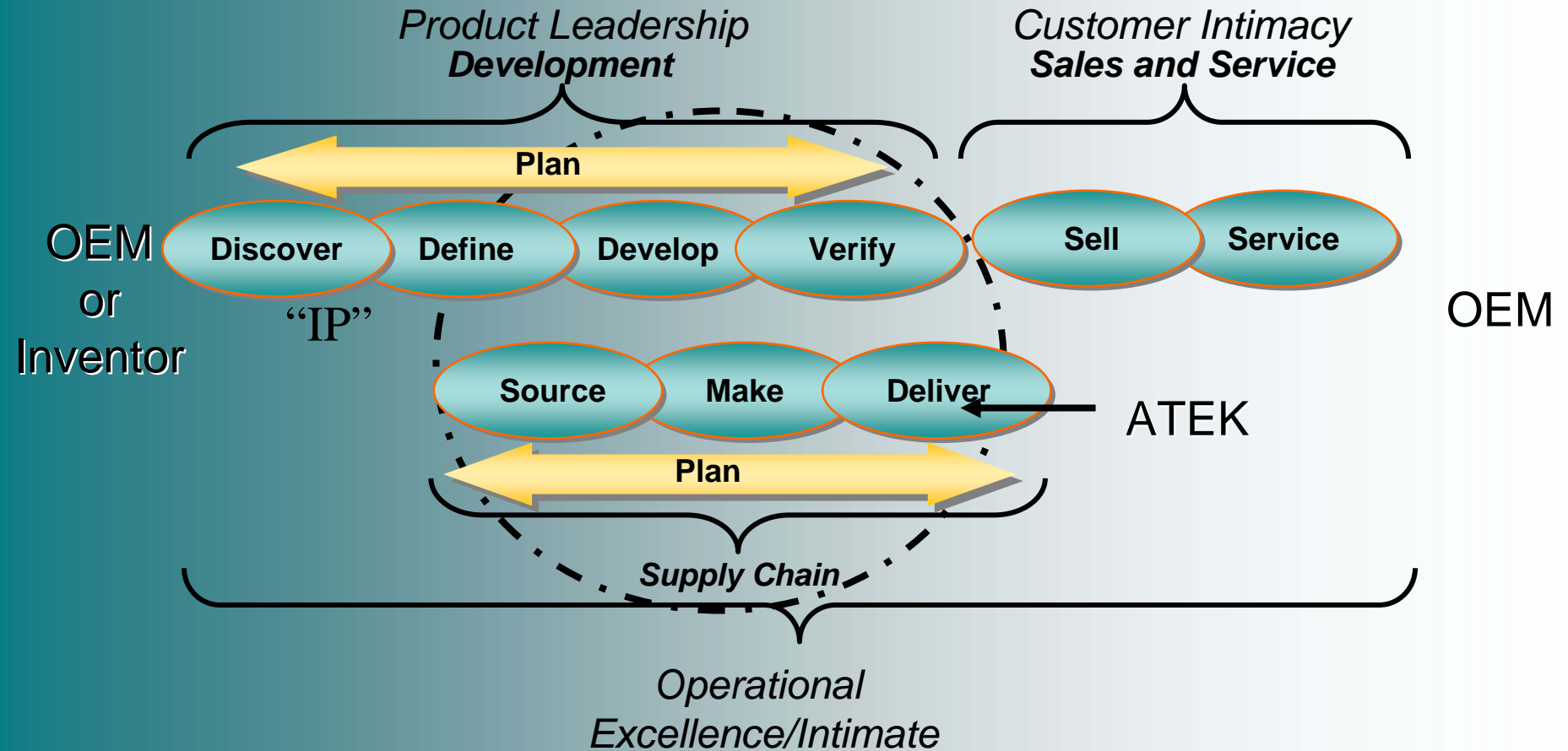
Figure #2



Collaboration Management

***Outsourcing is KEY Here... Can't do Everything!***

# “Walking the Talk”: Alignment Example



## Bottom Line:

**Who Will Be Successful In  
The Medical Device Industry??**

***“The Oleksy Crystal Ball Says:”***

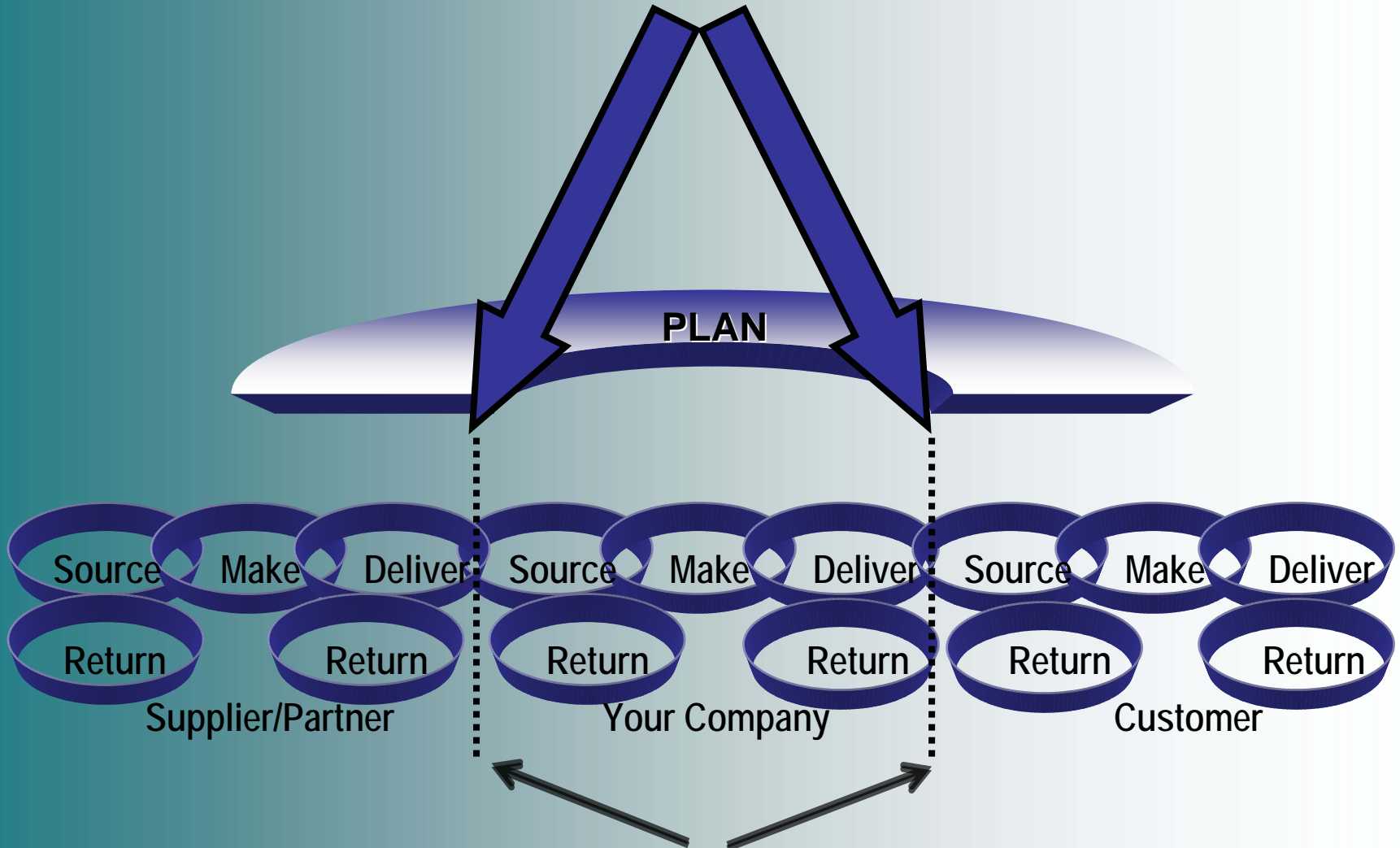
***Companies That Master  
The Configuration of These Elements***



***And Recognize That They Must Outsource  
And Partner to Master their Configuration***

**AND ->**

# “WIN WIN Touch Points”



*It is IMPERATIVE that a WIN WIN Relationship take Place at these 'Touch Points'*

***Last But Not Least.. And Probably the Most Important..***

***RP (Right Person)***

**SUCCESS = RP -> RT @ RT in RP**



***A Word About the Right Person.....***

**Mastering the Algorithm Depends on People... not Models..**

**It is Mission Critical that you have Talented People  
Making your Sourcing (Make/Buy) Decisions.. People from  
All Disciplines who Determine the Business Direction...  
Then Configure... Then ACT.. Then Measure.... And REPEAT.**

**It's Everyone's Responsibility to Configure Supply Chains,  
Not Just the Supply Chain Team....**

# ***Key Elements of Successful Outsourcing:***

***Medical Device Industry is Going to Change Consistent with Health Care Industry Changes.. Therefore, you must...***

***Master the Oleksy Algorithm : RP -> RT @ RT in RP***

***You Do this By Aligning Your Activities.. Don't Solve the Wrong Problem..***

***Understand The Elements of Product Leadership, Operational Excellence and Customer Intimacy as you Align and Master the Algorithm***

***Understand the Supply Chain Operations Reference Model (SCOR)***  
***[www.supply-chain.org](http://www.supply-chain.org)***

***Consolidations will Create Over-Lapping Supply and Value Chains...***  
***Color Code Them..***

***Understand that Technology Convergence Will Be Key.. Can't Do Everything...***

***Talented People are the Most Important Aspect of the Oleksy Algorithm***  
***You Need Thought Leaders to Execute! AND... They need to be WIN WIN People!***

***See Chris' Other Articles at ATEK's Web Site: [www.ATEKmedical.com](http://www.ATEKmedical.com)***





***Thank You!!!***

Christopher A. Oleksy  
President  
ATEK Medical

Email: [coleksy@ATEKmedical.com](mailto:coleksy@ATEKmedical.com)

Web: [www.ATEKmedical.com](http://www.ATEKmedical.com)