

Accountability to Customers:

Cook Medical's Journey to Meet Changing Customer Needs

Dave Reed

Vice President, Healthcare Business Solutions & Operations

2013 GHX Healthcare Supply Chain Summit



www.cookmedical.com

Healthcare Today Is Complex

Government
(FDA)

Manufacturer


Payer
(Insurance/CMS)


Provider
(Hospital/IDN)

Clinician
(Doctors/Nurses)


Patient


GPO

Distributor

We Have a Common Challenge and Goal

Challenge:



Treat
More
Patients



With
Less
Funds



Deliver
Better
Outcomes

Goal:

Do More **with** Less

A Different Focus



Price

VS.

Process

Changing The Conversation



Supply Chain Is a Strategy...Not a Department



"I thought there was an app for that."

10 Clinical Divisions

10 CLINICAL DIVISIONS
ALIGN COOK MEDICAL
WITH OUR CUSTOMERS

Aortic Intervention

Critical Care

Endoscopy

Interventional Radiology

Lead Management

**Otolaryngology/Head and
Neck Surgery**

Peripheral Intervention

Surgery

Urology

Women's Health



WHAT  up at
keeps you
NIGHT?

Healthcare Business Decisions are Clinical Decisions

1

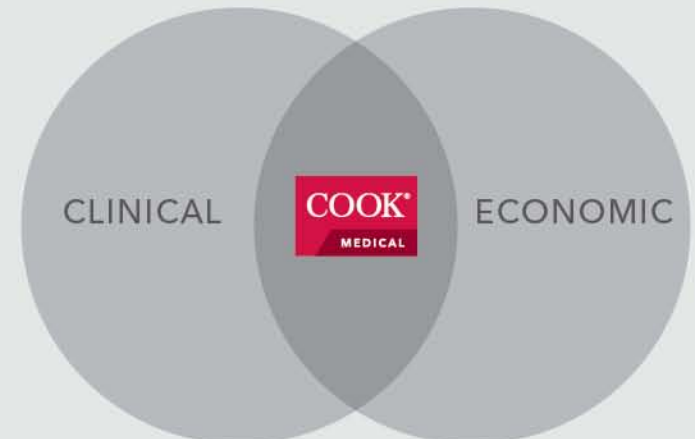
If we don't make good
business decisions,
we won't be profitable

2

If we're not profitable
we can't stay open

3

If we can't stay open,
we can't care for patients



Non-Clinical Resources to Drive Outcomes

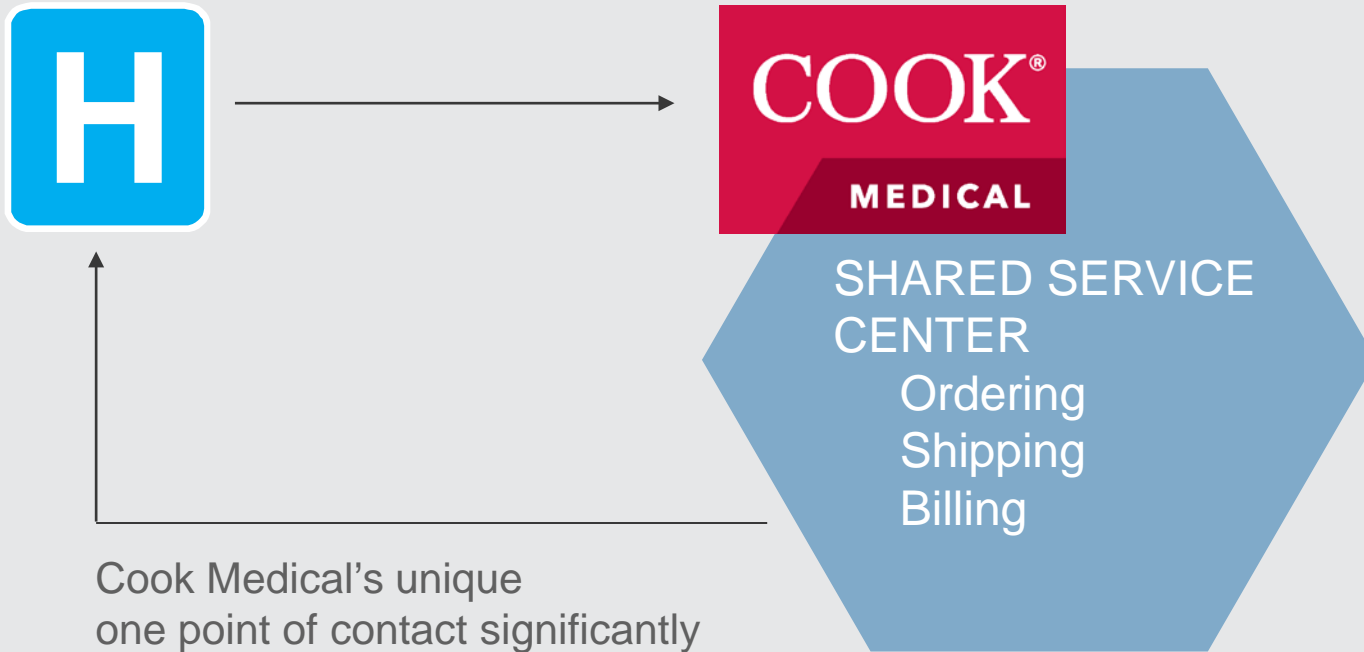
Healthcare Business Solutions

A team within Cook focused on **building a better healthcare supply chain** by removing waste from how you:

Buy • Store • Transport • Use
Our Devices

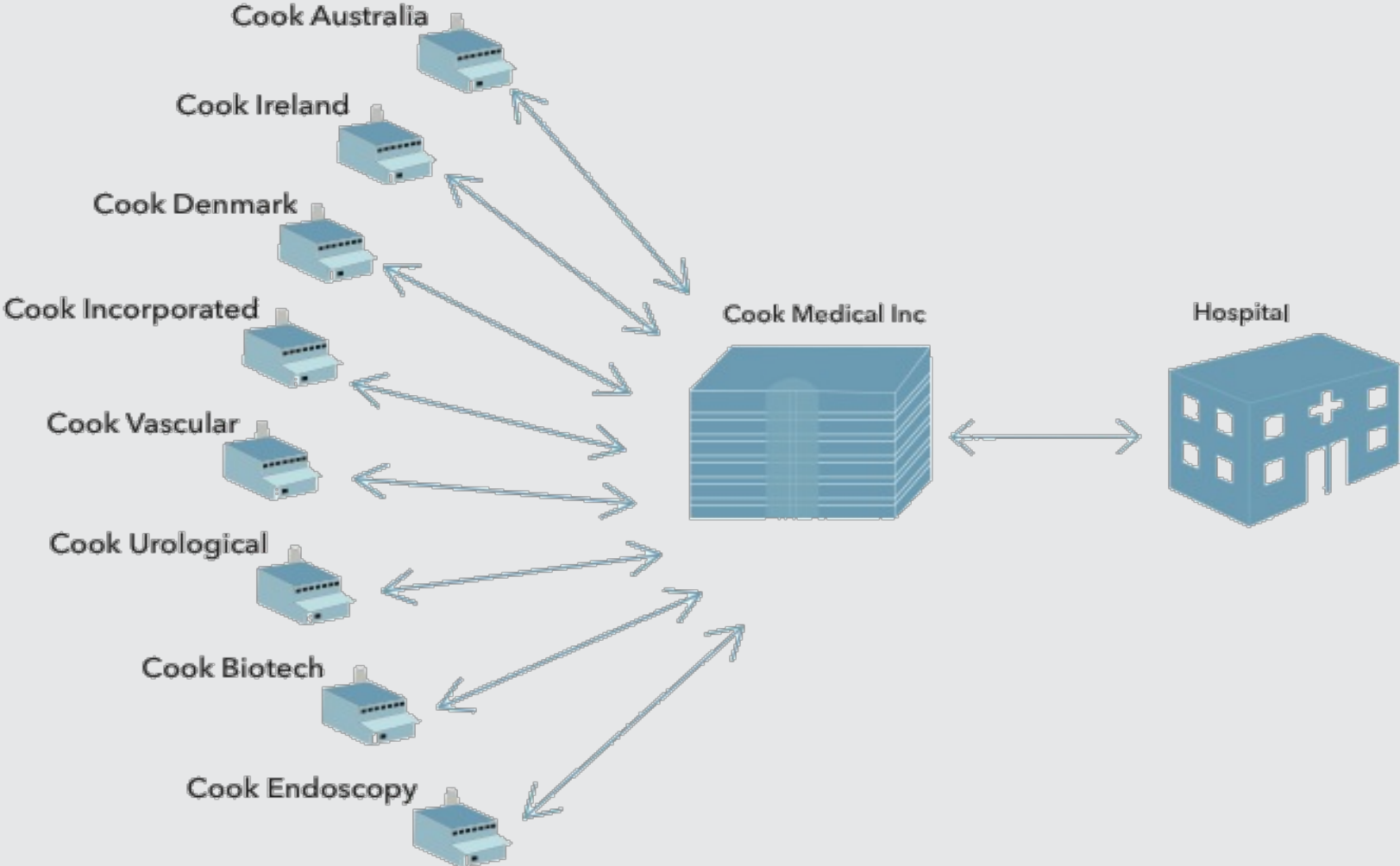
Non-Clinical Resources to Drive Outcomes

Operational Resources:

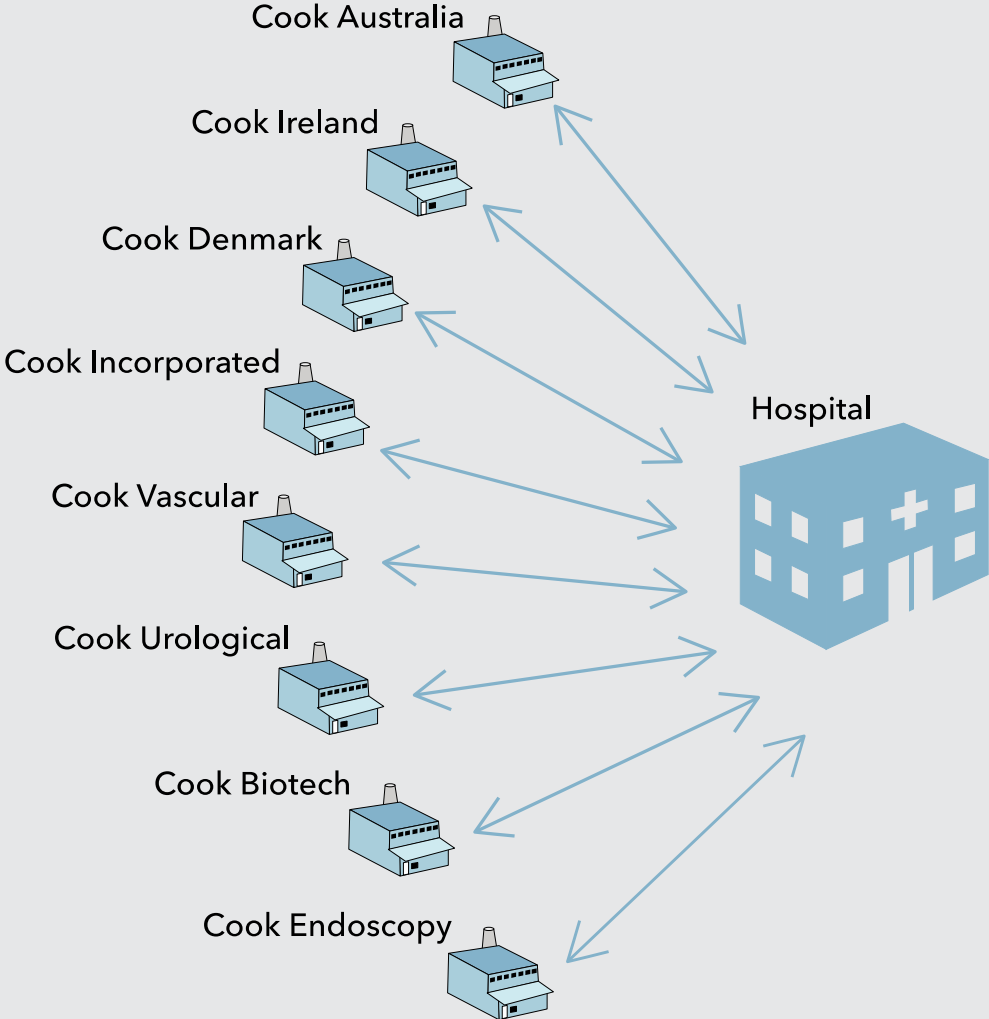


Cook Medical's unique one point of contact significantly improves supply chain efficiency.

Creating Internal Alignment for a Standard Product Language

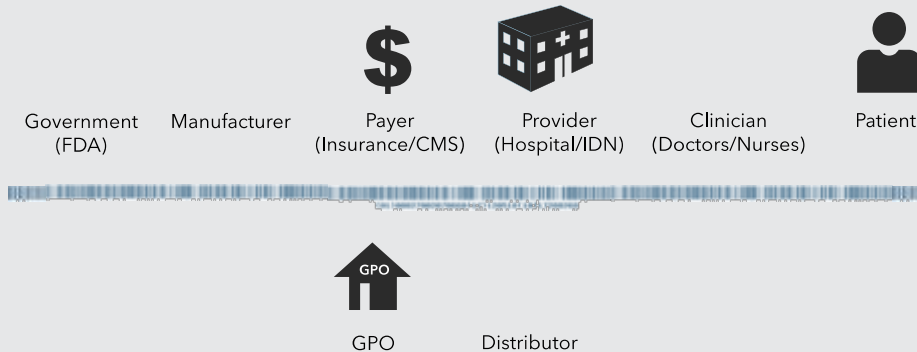


Challenging Product Language for Hospitals



Everyone Benefits from a Standard Product Language

- Simplifies supply chain management
 - Accurately identify specific products with specific unique numbers
- Improves information quality
 - Information is identical among all supply chain partners



- Reduces labor and supply chain costs
 - Eliminates custom cross-reference tables to keep track of proprietary identification numbers
- More efficient payment/reporting
 - Fewer errors and improved accuracy of electronic transactions (EDI)

More Reasons for a Standard Product Language

- \$11B annually in wasted healthcare supply chain costs (1996)
- Without standards, hospitals and suppliers develop their own unique identifiers for products (relabeling), which is costly and error prone
- Hospitals no longer have to manually enter product-related data (unit of measure, classification, dimension/weight)
 - Information resides in the Global Data Synchronization Network (GDSN)
 - Updated as necessary

Non-Clinical Resources to Drive Outcomes

Data Standards: GTIN



Why We Chose GS1

As a global manufacturer we needed a global-standard product language when we consolidated our product catalog.

- GS1 standards are recognized around the globe



The Steps We Took

Recognized that we needed a standard product language

Consolidated our global product catalog

Chose a standard, and assigned GTINs to all of our products

Labeled inventory with GTINs

Published data to GDSN

Call to action, or what's next?

- **Talk to providers about GTIN/GS1 standards**
- **Facilitate GTIN and GLN implementation**
- **Share your successes and challenges with us**

Why Is This So Difficult?

- Organizational capacity
- Data – quality and availability
- Conflicting priorities
- Change management challenges
- No experience with shared benefit
- Time, time, time

- Patients deserve our best effort!

FAILURE IS NOT AN OPTION.

**If you could
build a better healthcare supply chain,
where would you start?**



www.cookmedical.com
