



Healthcare Supply Chain Visibility 2020 Survey Summary

BACKGROUND

IT'S A WELL-KNOWN FACT IN THE HEALTHCARE INDUSTRY:

Lack of visibility into the supply chain causes a serious loss of productivity and a threat to high-quality care

It's a problem at the best of times, but the advent of COVID-19 shed light on visibility issues in a whole new way. The pandemic revealed several critical vulnerabilities throughout medical device and pharmaceutical supply chains, including demand surges for critical supplies, secondary product shortages, and transportation network breakdowns. Worse? These fractures occurred with little to no transparency and visibility between manufacturers and providers. And because ramping up elective procedures is now critical to the financial well-being of every health system in the US, it is more critical than ever to understand what can be done to improve visibility and build a more resilient supply chain in the future.

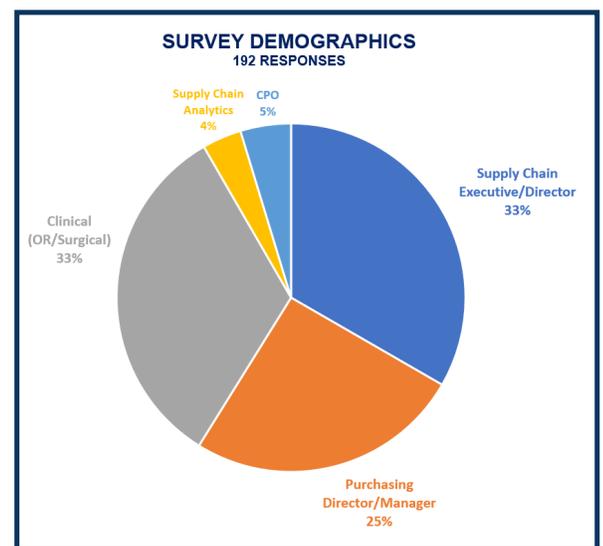
SURVEY APPROACH

Recognizing an opportunity to use this critical time to better understand how COVID-19 has dramatically changed the way the industry operates, VPL commissioned a survey into the effects of visibility (or lack thereof) in the healthcare supply chain. The results were stunning: 83% of the 192 respondents stated they believed it is important to know date, time and location of PPI deliveries yet half of these say they rarely, or never, have this information.

WE LEARNED:

- 74% of clinicians are spending time tracking the status of PPI orders, and half of these are investing four hours or more per week doing so
- 76% of all respondents don't know if product will arrive in time for a scheduled procedure
- 84% of all respondents have seen procedures delayed due to backorders in the past 12 months

We know that by providing greater visibility into the healthcare supply chain, we can mitigate and, in many cases, eliminate these situations.





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ISSUES RELATED TO PPI ORDERS

**POOR
VISIBILITY**
88%

of clinicians believe it is important to know the day, time and location of PPI order deliveries... yet 46% report rarely or never having this information

**WASTED
TIME**
74%

of clinicians are spending time tracking status of PPI orders and half of these spend at least 10% of their time doing so

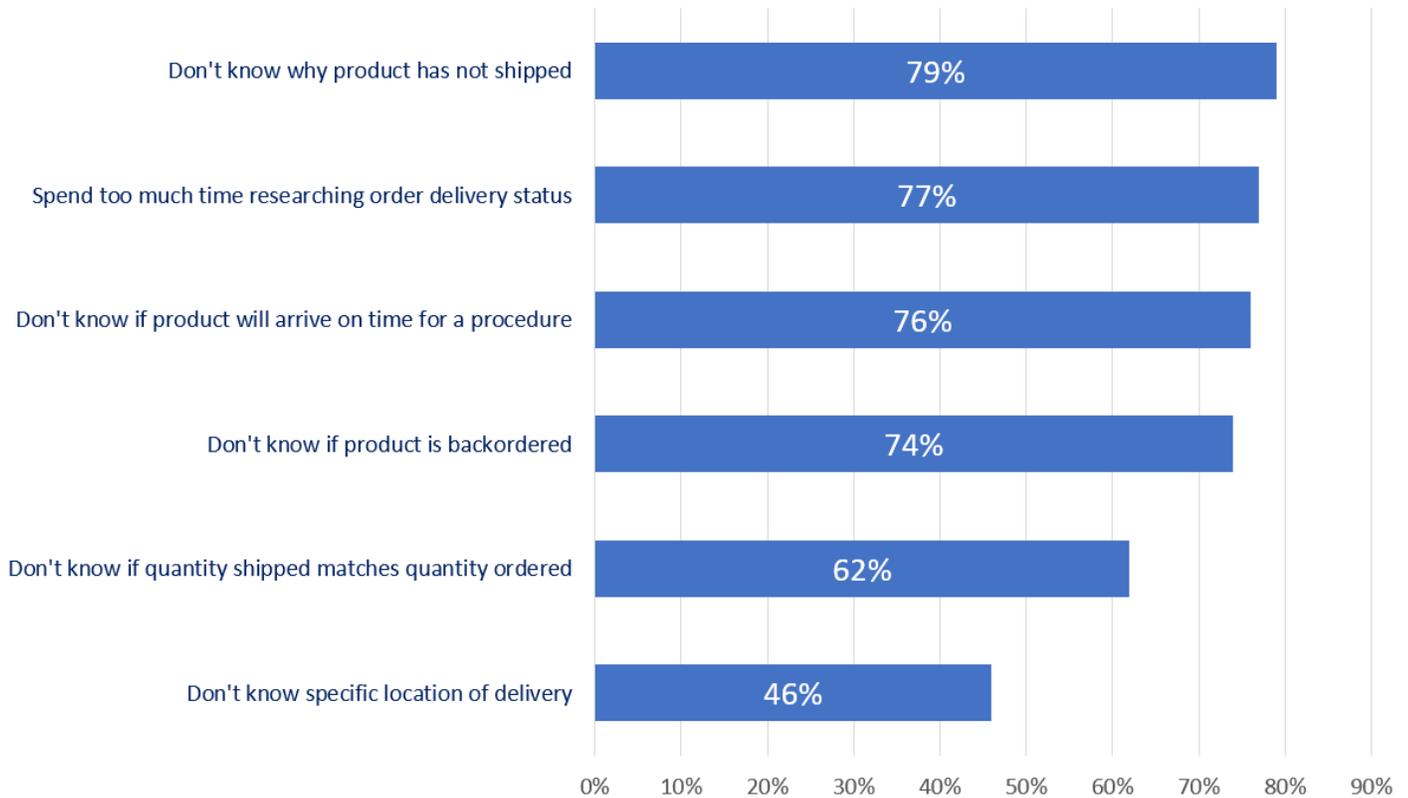
**LACK OF
AVAILABILITY**
71%

of clinicians report recurring situations of backorders, misplaced or expired product

Ramping up and maintaining a robust elective procedure schedule is a vital component in the financial planning and recovery of most US health systems.

Yet a lack of visibility to the movement of vital PPI product is resulting in delayed procedures.

Points Associated with PPI Orders





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CASCADING EFFECTS OF BACKORDERED PPI PRODUCT

BACKORDER FREQUENCY

71%

of respondents have encountered backorders of required PPI product in the past 12 months

DELAYED PROCEDURES

84%

of respondents have seen procedures delayed due to backorders in the past 12 months

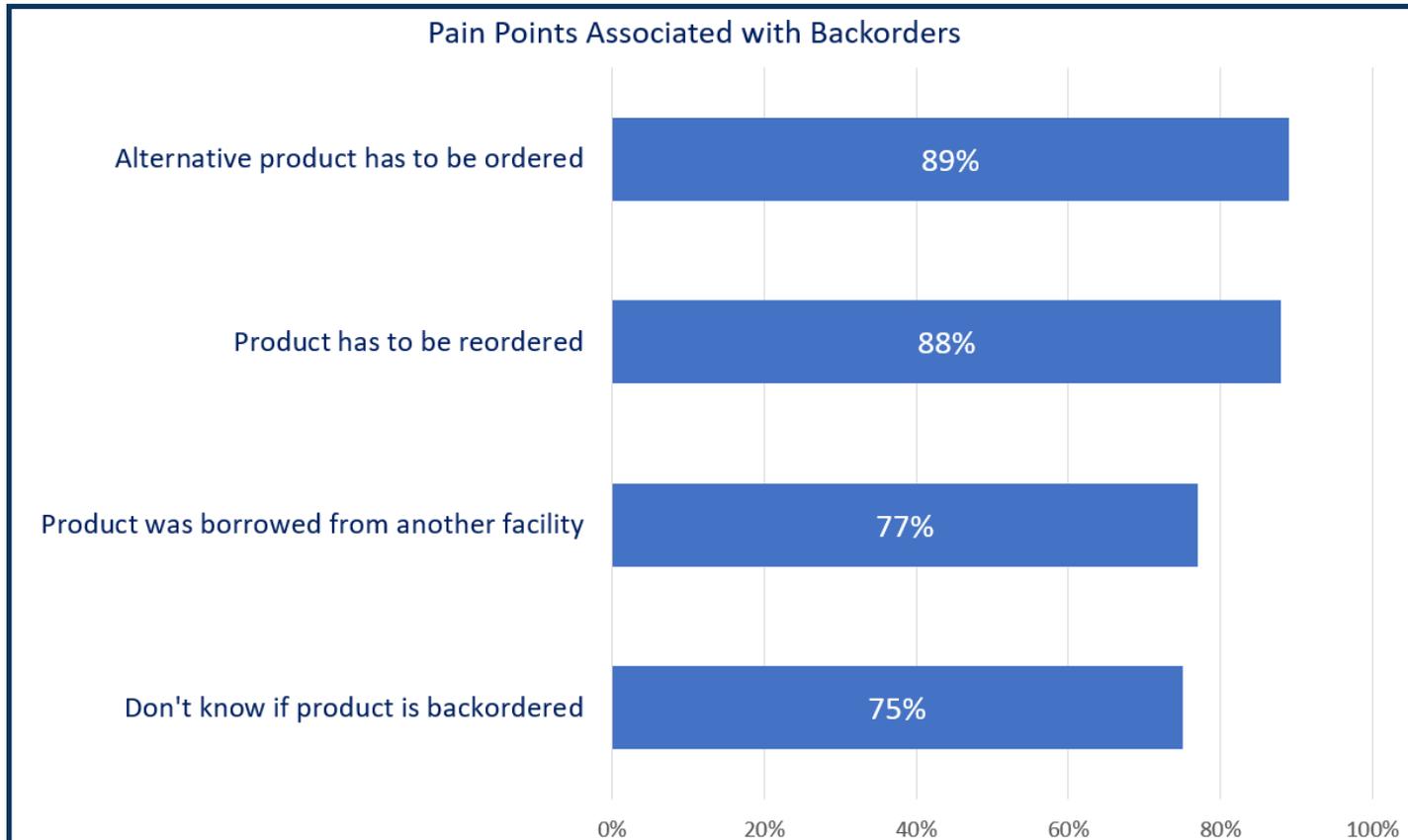
ALTERNATIVE PRODUCT

87%

of respondents have had to utilize an alternative product for a procedure in the past 12 months

When PPI products are backordered or otherwise delayed, the effect on the supply chain, clinical operations, clinical quality and patient experience is substantial.

We found that in many instances product, if available, must be transferred from another facility; alternative product must be ordered or used in the procedure; or procedures must be delayed. Clearly, none of these solutions are optimal.





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PAIN POINTS OF INTRANETWORK ROUTING

COURIER UTILIZATION

80%

of respondents send or receive pharmacy, lab or med-surg products via their organization's dedicated route drivers

SCHEDULING UNCERTAINTY

56%

of respondents don't know if required product will arrive in time for a scheduled procedure

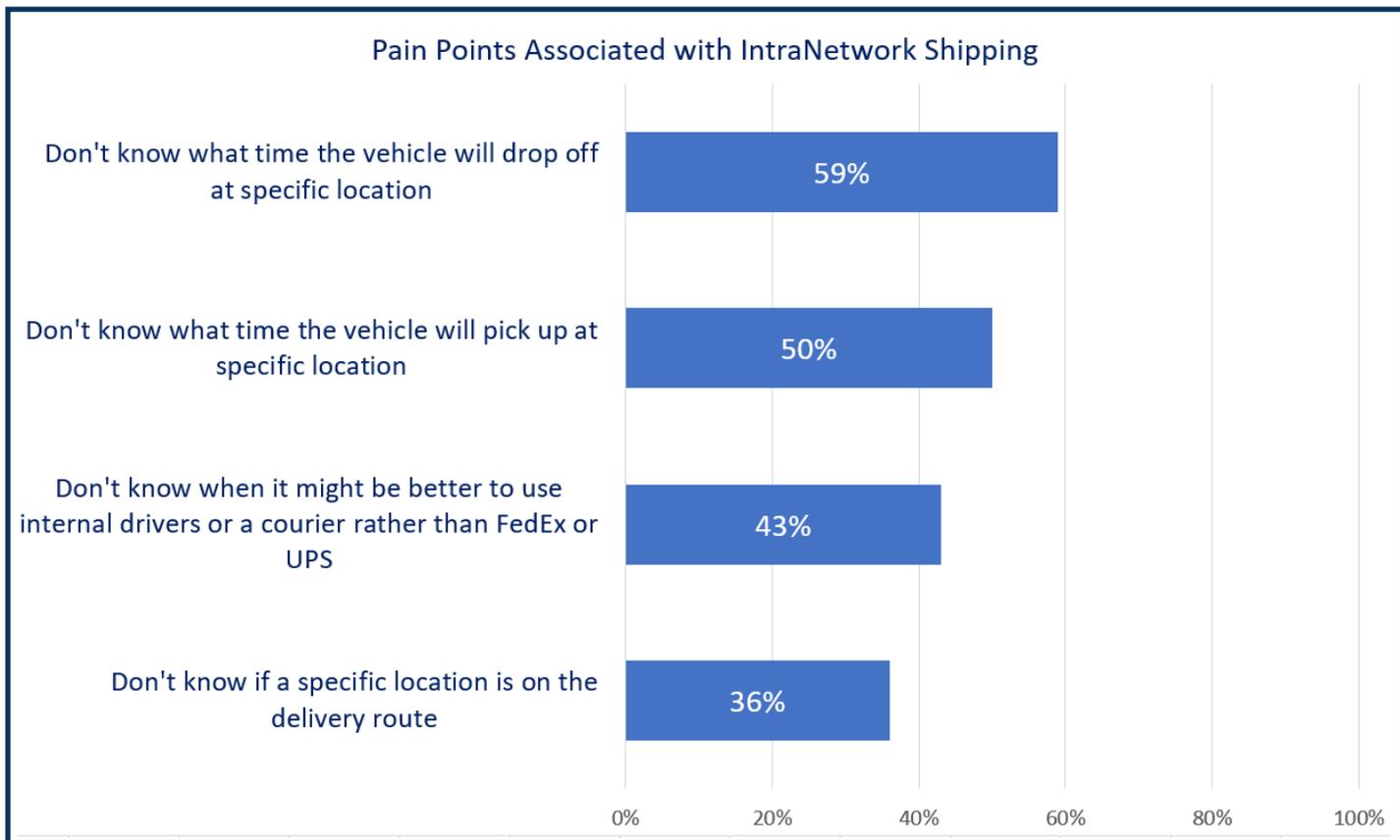
ORDER UNCERTAINTY

47%

of respondents don't know if quantity expected will match quantity delivered

Lack-of-visibility issues stemming from shipping within the healthcare system also produce their share of problems.

When routing pharmacy, lab and med-surg products within the system, respondents identified the following as their top pain points:





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PRIMARY BENEFITS OF IMPROVING VISIBILITY TO THE MOVEMENT OF VITAL PRODUCT

- Improved workflow with surgical cases
- Reduce freight and transportation costs
- Improved assurance of supply
- Improved case scheduling
- Clarifying expectations with clinicians and physicians
- Peace of mind
- Improved trust with caregivers
- Improved patient care and patient experience
- Improved productivity for supply chain and clinicians
- Fewer rescheduled surgeries
- Improve supply chain's credibility with clinical operations
- Reduced inventory levels (including "just in case" inventory)





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COMMENTS REGARDING BETTER VISIBILITY

Respondents were asked,

“In your current role, what would be the greatest advantage of having better visibility into the movement of PPI product from the point of sale all the way to the point of patient care?”

1. “As a working Department Director, knowing exactly when a product comes in after ordering would allow us to schedule cases accordingly.”
2. “Besides peace of mind, it is an assurance you will have what is needed and could avoid the expense of borrowing product to “just make sure” which incurs a courier cost and wasted productive hours.”
3. “Better overall supply chain management and improved workflow for our surgical cases.”
4. “Better patient care due to having supplies in a timely fashion, ensuring all supplies are present and accounted for prior to patient care and validating products to inventory, sterility and safety.”
5. “During COVID, we test each patient prior. If we miss the window to provide care, we may have to test the patient again. This causes dissatisfaction with the patient, additional expense to the hospital”
6. “Enhanced productivity upstream and downstream. Buyers and end users spend a lot of time tracking packages and asking for ETAs — it’s currently a very manual and cumbersome process.”
7. “Giving me better insight to pass the correct information to colleagues so as not to lose my credibility.”
8. “Better visibility to the movement of PPI product from the point of sale to the point of patient care will enable the Clinical Team to know if a procedure has to be postponed.”
9. “Helping communicate an ETA to the end-clinical users would decrease stress in knowing a true lead time.”
10. “It would be great to know that schedules don’t need to be changed at the last minute, and more up-to-date information allows for more options.”





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COMMENTS REGARDING BETTER VISIBILITY (CONTINUED)

11. “Enhanced efficiency and ability to focus staff/resources on other initiatives.”
12. “Knowing that the product was ordered and shipped would be a big help. It would also be nice to know if there was a delay in the shipping route”
13. “Less time spent making certain the correct product will arrive on time. More access to alternative and acceptable replacement products.”
14. “Minimize some of the staff stress regarding scheduling & patient service.”
15. “Having all the information in one place would be the most advantageous.”
16. “The end user would be better suited to adjust if delays or cancellations in orders were known ahead of time vs finding out the day the shipment was expected that there is a 2-3 week delay.”
17. “The greatest advantage would be knowing that the product is not being delivered because it is on back order or there is a billing problem with the order.”
18. “This is extremely important for patient care so we would know for sure if the product would be here in time for the surgery.”
19. “Time - Buyers would be able to perform routine tasks, instead of follow up. Security knowing that product will be available for patient care when needed.”
20. “That would be awesome! So I know what’s coming when!”