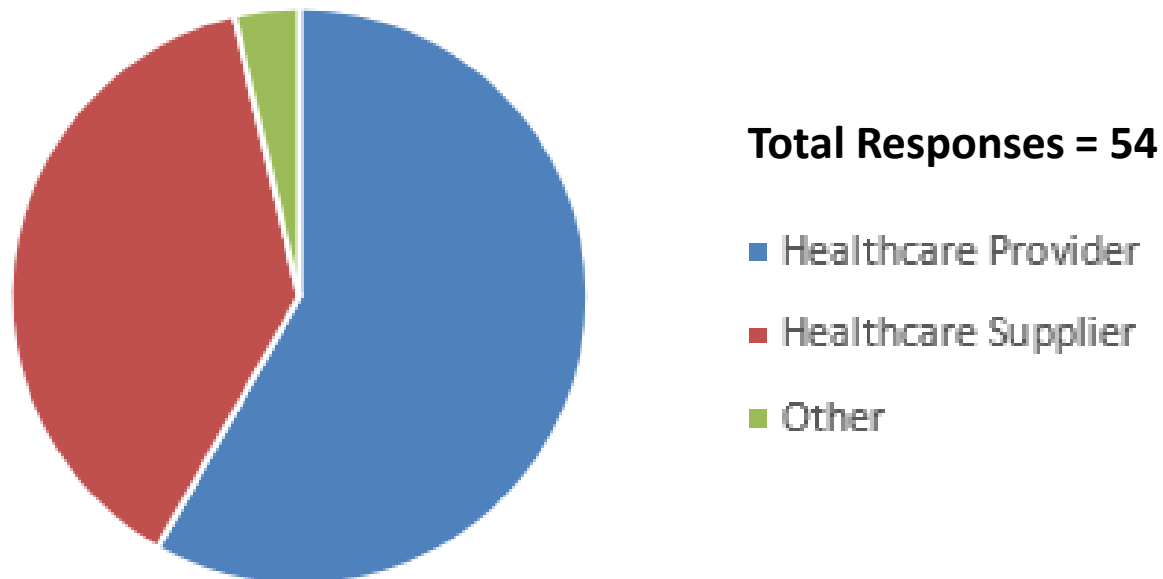




## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers



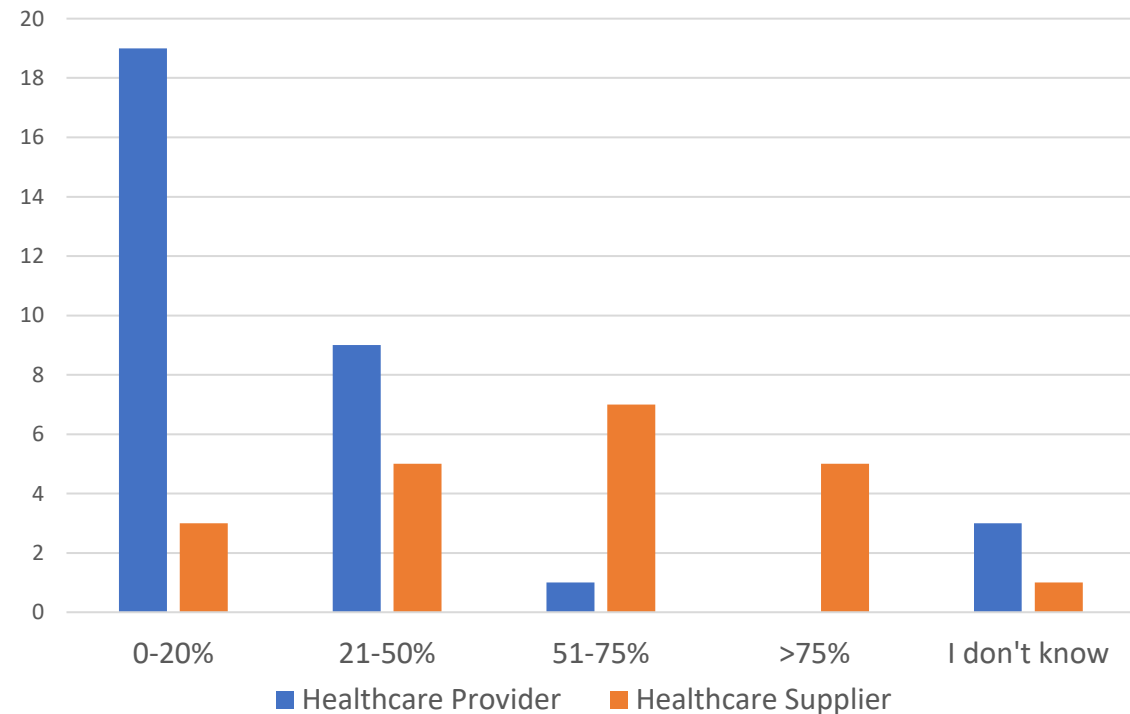
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## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

How much of the product that your organization made/sold (suppliers) or purchased (providers) BEFORE the COVID 19 pandemic was manufactured in the United States?

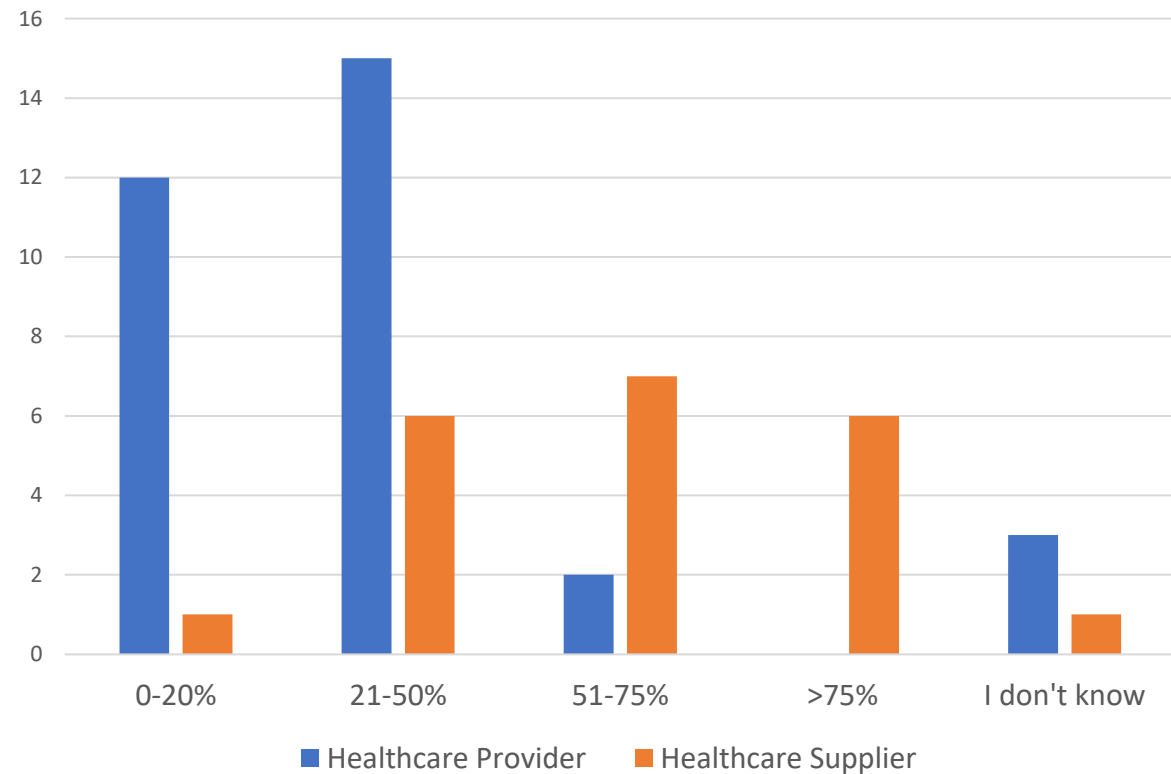




## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

How much of the product that your organization makes/sells (suppliers) or purchases (providers) TODAY is manufactured in the United States?

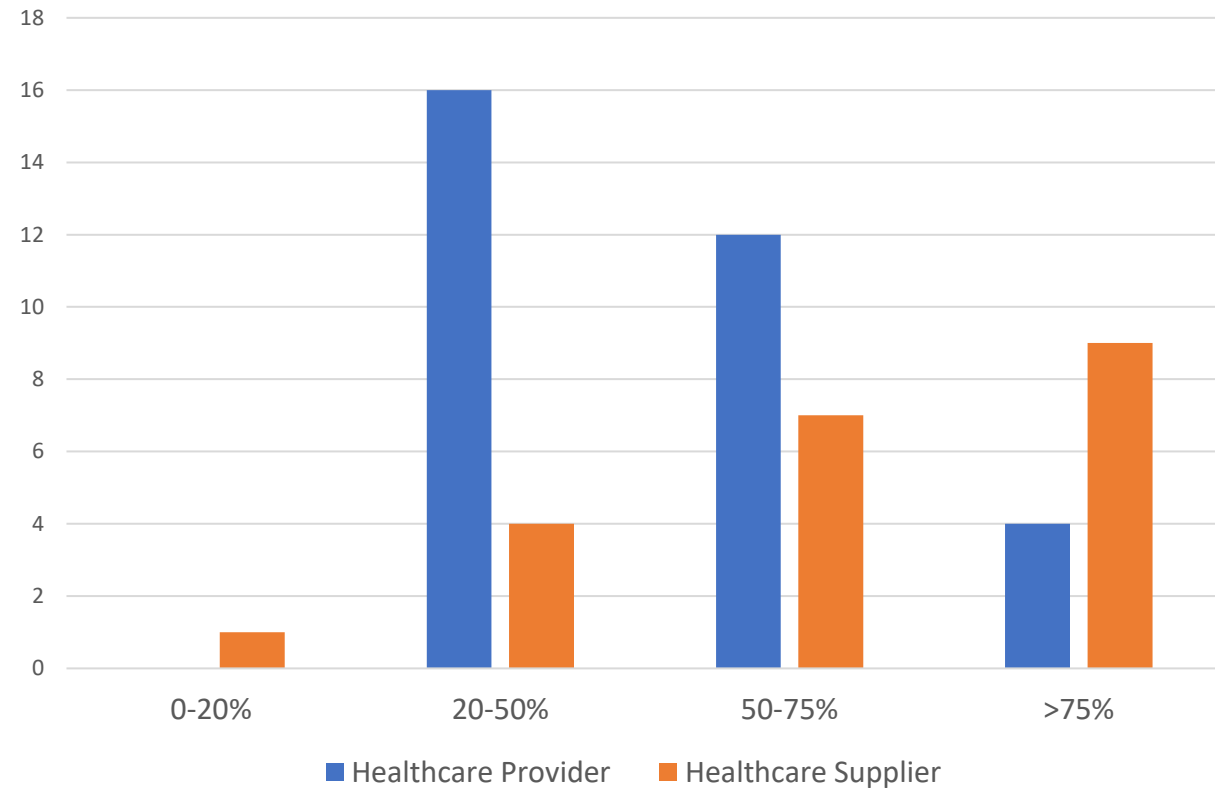




## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

How much of the product that your organization will make/sell (suppliers) or purchase (providers) in the FUTURE is manufactured in the United States?

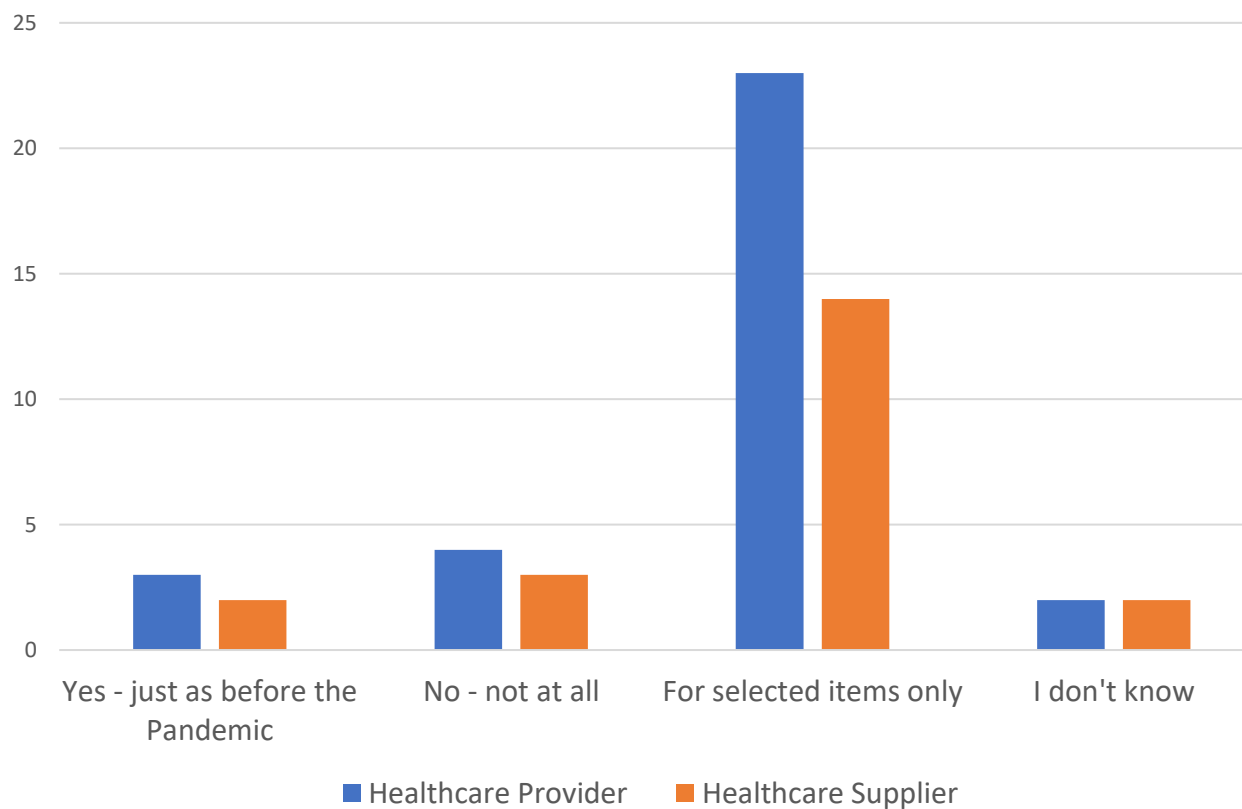




## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

Do you believe providers should continue using JIT sourcing strategies going forward?





## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

Lots of great Healthcare Provider comments regarding manufacturing location and sourcing strategy:

"Manufactured in the US" is a bizarre term in today's global economy. If all the raw materials come from somewhere else, we are still heavily at risk. Moreover, if the parts and machinery are all made in other countries, we will continue to have problems. On shoring manufacturing should definitely happen, and with it the on shoring of the rest of the supply chain.
Diversifying the critical items and where they are manufactured will be key. Not all within the US, or abroad, but critical supplies should have a strategy for resiliency
Every penny supposedly saved over the past 20 years through LCC sourcing was lost in the last two. Near-shoring is important, as are dual-sourcing and dual-regional strategies. JIT is still an efficient strategy, but must rely less on single regions. This is old news; we just forgot those lessons somehow.
Historically our facility has run very very lean and we had highlighted this as a high priority risk even before the pandemic. We are building a new supply logistics facility that we started prior to the pandemic to carry more product- supply risk does not justify the cost of holding inventory. The supply cost itself will need to be carefully weighed vs. its manufacturing source. Manufacturing in the US does not mean we will not have shortages - see current baby formula situation.

I believe the distribution strategy will change for most healthcare organizations. JIT may be a component of distribution, but likely managed internally rather than through a distributor. I am a strong proponent of on shore or near shore manufacturing. Encouraged to hear some suppliers are investing in such strategies. Need to move away from the dominance of Asia manufacturing today. Part of the problem during the pandemic was not knowing country of origin. While some progress has been made, providers still don't know where products are manufactured....country of origin. Such information will be needed permanently going forward as part of data attributes associated with a supply.
I think diversifying manufacturing to on-shore or near-shore is critical to the healthcare supply chain, let alone for national security.
If possible domestic manufacturing is best. Realistically, the cost would be prohibitive considering the US multiple governmental & environmental regulations/tax structures/labor rates/ and raw material import challenges.
JIT programs should always have had some sort of safety stock. Putting more inventory into the supply chain is not a reasonable long term solution for providers.
Location is less of an issue than inventory levels
Look to set up manufacturing locations in regions that keep cost lower (Mexico, Brazil, Ireland, Turkey, Norther Africa, Puerto Rico, etc. )



## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

More great Healthcare Provider comments regarding manufacturing location and sourcing strategy:

Manufacturers need better visibility to their supply chains, and backups and alternatives. They need redundancy in locations and need capacity.
Manufacturing location diversification and redundancy must be improved and will be increasingly factored into product selection decisions.
need to adopt segmentation strategies which guide single/dual sourcing.
not just US manufacturing but also near shoring in Mexico, central, south America
On Shore or near shore preferable. I am willing to pay more for improved access and security. Public (national) policy needs modification on some of our foreign relations and incentives need to be created for business development in democratic and friendlier nations to mitigate supply risks.
sadly domestic manufacturing isn't feasible in many categories. While foreign made goods currently can present challenges, the international manufacturing community is in realty better priced and more sustainable than trying to force domestic manufacturing in areas that wont be sustainble.
Simply onsourcing product created the same risk profile. Diversified country of origin and finished good processing is the only way for true resilience.
Strategy of having multiple partners and country's of origin will be part of the ongoing discussion and healthcare figures out optimal resiliency plans for core products

The balance of resiliency measures (sourcing product made in the US vs. abroad, limited JIT strategies) with cost will be challenging in an environment where we are looking to continue to bring value to our organizations (savings, providing quality products/services).
We established and are in the process of transitioning to a 60/20/20 model: 20% domestic, 20% geographical dispersed and 60% prime. By category it is an effort of re-distribution. Vendors that have vertically integrated manufacturing will gain extra points during the RFP process.
We have all learned that having a single manufacturing location can be detrimental. Suppliers should be transparent about the location of manufacturing so provides can determine their sourcing strategy. Sole source contracts may become a thing of the past.
We need to feel comfortable, through transparent information, about where our products and their key components are coming from. We would like to see more manufacturing in the Americas and redundancy so we don't continue to have issues like the "one plant shutdown" fiasco of baby formula.



## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

And some insightful Healthcare Supplier comments regarding manufacturing location and sourcing strategy:

80% of our manufacturing is done in Mexicali. Unfortunately it's unrealistic for our company to be market competitive by manufacturing in the U.S.
Challenge today remains freight cost from Asia. Latin America and North America are good options but lack the capacity to replace China. De-risking supply chain by setting up 2nd and 3rd sourcing for critical product key!
Cost is still the priority both in manufacturing and final price to customers. Global sourcing is still a viable solution in managing cost.
Domestic manufacturing is a strategic investment for suppliers. It can become a point of differentiation to other suppliers.
North America inclusive of Canada and Mexico.

Strategy is to leverage our global manufacturing footprint, both domestically and overseas to build further redundancy in the portfolio (....and not necessary making everything U.S. manufactured).
The government should mandate for reimbursement for Medicaid/Medicare - 75%+ of products used should be made in USA
The majority of our products are manufactured in the US and Mexico. The exception is one product line that is manufactured in China. We have experienced rolling backorders for the products manufactured in China even prior to the pandemic. The suppliers that provide the raw materials for our products are sourcing OUS which is causing backorders/product shortages.
The Medical Device industry needs to geographically diversify where its Products are manufactured and where its raw materials are sourced. Spread out the risk of disruptions around the world.
There should have been - Yes, but with changes - for number 5. There is a need for advanced approval of substitutions and appropriate levels of safety stock that should be maintained for critical items. Logical unit of measure (LUM) programs are efficient for the hospitals and saves labor, it would be unrealistic to put this work back on the hospital staff that is already constrained.





## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

More insightful Healthcare Supplier comments regarding manufacturing location and sourcing strategy:

We have an opportunity to address the following issues by dramatically shortening the supply chain through domestic manufacturing: Environmental impact, labor practices, national security, shipping challenges and payor mix.

We manufacture products based on raw material sourcing and validating multiple global "zip codes" so product is not reliant on any one geographic location, including the United States.

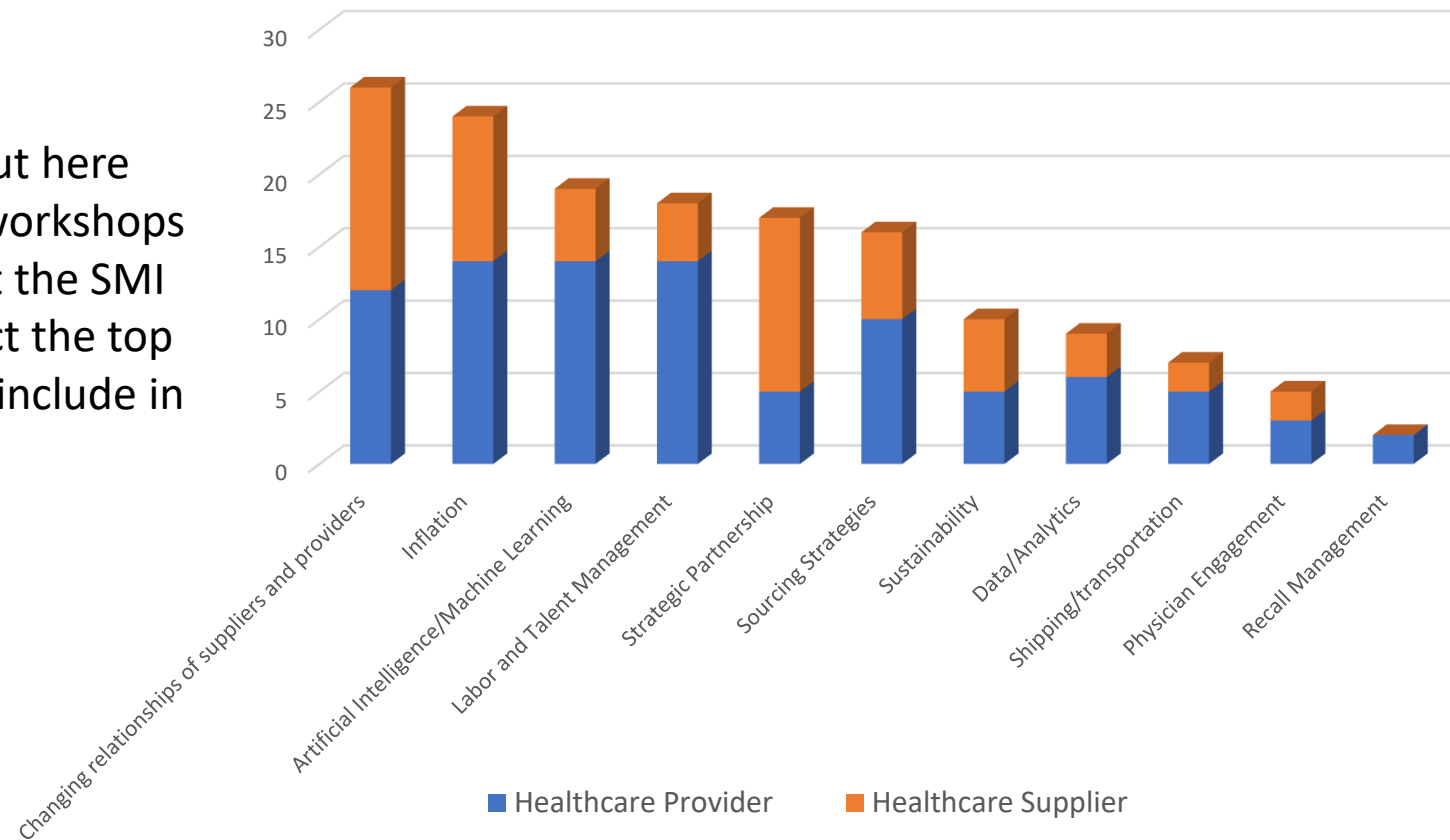
We must solve this complex challenge. Customers need to be prepared to pay a modest premium for products made in the Americas, with shorter supply chains and high levels of resilience.



## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

Please provide your input here on potential topics for workshops and other discussions at the SMI Fall Forum. Please select the top 3 issues you'd like us to include in the agenda.





## June 6, 2022 Quick Quiz Results

### New Sourcing Strategies for Healthcare Providers and Suppliers

And a few other suggestions on issues that we should include in SMI Forum Sessions:

1) Clinical perspectives in supply chain from both the supplier and provider perspective 2) Evaluation of new and innovative technology for better patient care and reduced costs 3) What consolidation across the entire U. S. healthcare supply chain has done to cost and availability of products 4) What does the national accounts salesforce of the future look like? 5) Are new, innovative and more cost efficient new technologies being blocked by outdated views of product evaluation?
The economic forces driving drug and supply shortages in the U. S.
Backorders
Both Suppliers and Providers are experiencing extreme economic pressures. We need to find ways to address those challenges together.
Cost sharing and More equitable contract terms
Inflation is the number one topic and it has to be addressed
No directional transparent communication between trading partners
Rebate Management
scope/span of control of where SC can provide value generation
The economic forces driving drug and supply shortages in the U. S.