With Patient Health at Stake, Medical Equipment Industry Needs to Improve Supply Chain Visibility

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There are few industries as tightly interwoven with life and death issues as medical equipment. Getting everything right; from adherence to regulations to on-time product deliveries to perfectly performing products, is paramount. Complete transparency throughout the medical equipment supply chain is an absolute necessity. Transparency cannot be a part-time or partial commitment but rather, it must be an all-out endeavor to achieve safer and more effective patient healthcare. Accenture [1] addresses these issues in a new report, Supply Chain Visibility in the Medical Equipment Technology Industry [2].

This industry's regulatory pressure is extraordinarily intense. Manufacturers of these products, including sonograms and x-ray machines, must comply with strict regulations and laws that govern safety and performance. Inaccurate product information in the supply chain can threaten public health or induce penalties that either jeopardize companies' abilities to operate or even put them out of business.

To help avoid these scenarios, it's critical that medical equipment technology companies create end-to-end supply chain visibility that streamlines and accelerates product flows and increases awareness for all supply chain participants. Leveraging this framework, product delays, shortages and overstocks can be resolved before causing significant problems.

Accenture recommends a phased approach to achieve effective supply chain visibility starting with a sharply defined roadmap that assesses a company's current supply chain and pinpoints steps needed to achieve full visibility. Once that roadmap is developed, companies should consider shifting to an implementation stage involving organizations and people, processes, data, and technology. Let's examine those four phases in more detail:

Organizations and People—Companies need a defined framework that outlines

supply chain governance. The framework should delineate supply chain roles and responsibilities, such as training, organizational planning, and change management. This framework needs to include gate-keepers who shepherd product release information throughout the supply chain.

Processes—Firms should establish definitive and enforceable governance and data management processes that determine how supply chain data travels. To make it easier to identify and correct problems as they occur, these processes should cover the entire ecosystem, encompassing manufacturers, suppliers, regulators, and customers. Most processes are or should be built around product releases and regulatory compliance.

Data—To facilitate accurate dashboard and supply chain reports, data structures and guidelines pertaining to product release information should be established. One crucial structure is master data management (MDM), which is a set of disciplines and processes for driving accurate, complete, timely, and consistent data classification. MDM can accelerate data exchange within corporations and to third parties, reduce data duplication, expedite product deliveries, and reduce information delivery costs.

Technology—Companies should establish an IT landscape that supports supply chain processes. For example, they need to set up product data management and document management systems that store, run, and access product-related information and product submission approvals.

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