

What's New at SMI?

December 17, 2009



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Upcoming Forums

Be sure to mark your calendars for the 2010 SMI Forums!

May 11-13, 2010

Dallas

November 9-11, 2010

Orlando

Spring 2011 has also been booked: May 10-12, 2011 in Dallas.



Collaboration Corner - AHRMM

It has been important to SMI since inception to collaborate with others in the industry with common goals and missions, so that together we work for the benefit and advancement of the industry. One of the very first organizations SMI began working with was the Association for Healthcare Resource & Materials Management (AHRMM). AHRMM leadership has participated in SMI's Forums and Initiatives, while SMI has participated in AHRMM planning efforts and educational programs. As collaborators, SMI and AHRMM help to promote forward progress in the healthcare supply chain through their respective publications, educational venues, promotion of adoption of SMI tools and solutions, and advocacy of industry standards. As collaborators, SMI and AHRMM have linked their web sites to maximize industry exposure and access to their collections of resources and tools.

SMI looks forward to a long term, mutually rewarding relationship with AHRMM. According to Tom Hughes, "***We at SMI recognize the contributions AHRMM has made and continues to make in the industry; and value the collaborative relationship we have established. I think it is important that we highlight and promote the good work AHRMM is doing for the healthcare supply chain.***" Tom continued, stating that "***AHRMM has taken a key leadership role in many aspects of healthcare supply chain including enhancing the careers of many of our members. Several members of SMI are past presidents of AHRMM and/or have received AHRMM's highly regarded leadership award.***" (see listings below)

So that our members could learn more about the organization we interviewed Deborah Sprindzunas, Executive Director of AHRMM.

SMI - What is the primary purpose of AHRMM, and what are your major strategic goals for the coming years?

Sprindzunas - AHRMM's purpose is directly tied to its vision: Healthcare supply chain excellence through education, knowledge, and advocacy. AHRMM strengthens the nation's healthcare supply chain by providing leadership, education, networking and information sharing opportunities, and industry-specific resources to advance the field and enhance the professional development of its individual members. Major strategic priorities can be succinctly described in three words: Development, Voice, and Impact. AHRMM seeks to *develop* supply chain professionals in a changing healthcare environment by providing essential basic and executive level programs, products, and services that further the technical and leadership competencies of those working in the field. AHRMM strives to be a *voice* for the profession by identifying issues that critically impact the field of healthcare supply chain management and advocating on its behalf on those issues. AHRMM makes it a priority to collaborate with other organizations working on similar goals and initiatives so the healthcare supply chain is essentially speaking with one voice and can be heard throughout the wider healthcare industry. Lastly, through good governance and sound strategic and financial planning, AHRMM seeks to have an *impact* on the field by developing and funding resources that connect professionals, create value, and support research on the healthcare supply chain.

In addition to providing essential education programs and services, one of AHRMM's primary objectives is to advance healthcare supply chain excellence by partnering with academic institutions. Over the last few years, AHRMM has collaborated on projects with Arizona State University, Massachusetts Institute of Technology, and the University of Arkansas to support healthcare supply chain research. This year, AHRMM partnered with University of Arkansas' Center for Innovation in Healthcare Logistics (CIHL) to co-sponsor a cost and efficiency study. More than thirteen hundred people responded to the survey sent to individuals representing all areas of the healthcare supply chain, and the initial findings were published in a report entitled "The State of Healthcare Logistics: Cost and Quality Improvement Opportunities." (The report is available on the AHRMM website.) AHRMM will continue its work with CIHL next year to recreate the EHCR costs and savings analysis. This extension of last year's project will allow researchers to analyze the most current healthcare supply chain data available, including The State of Healthcare Logistics survey findings, and conduct expert interviews and focus groups with healthcare supply chain experts.

AHRMM conducted a one-day healthcare supply chain research symposium in September 2009 to foster coordination and collaboration on the many academic research projects going on in healthcare supply chain. Several academicians conducting research on various aspects of the healthcare supply chain gathered at the AHA to provide updates, exchange ideas, and further determine the future of research in this sector.

Another primary focus for AHRMM is data standards for the healthcare supply chain. AHRMM plays a critical role in the data standardization movement and is doing its part to educate its membership on healthcare supply chain standards. AHRMM supports the use of GS1 standards to regulate operations between all trading partners in the healthcare supply chain. AHRMM continues to support GS1 standards for the healthcare supply chain and has representation on all of the workgroups including the Global Location Number (GLN) Work Group, the Global Trade Item Number (GTIN) Work Group, the Global Data Synchronization (GDSN) Work Group, the Traceability Work Group, the Application and Implementation Work Group, and the GS1 Healthcare US Leadership Team in an effort to ensure the voice of the healthcare materials management professional is heard and accounted for.

Recently, GS1, AHRMM, the Health Industry Group Purchasing Association (HIGPA), and CHES (HIGPA Committee for Healthcare eStandards) conducted a survey of the largest providers of hospital-based software applications and systems that support Material Management Information Systems (MMIS) to measure MMIS solution provider awareness of and level of commitment to GS1, the GLN, and the GTIN, as well as general readiness to implement the standards.

SMI - Top responses from SMI membership to the question "*What supply chain issues keep you up at night?*" include succession planning/talent development, recruitment & retention of top talent, and ongoing education & training. How can AHRMM help our members with these challenges?

Sprindzunas - AHRMM offers a comprehensive array of education and knowledge resources that spans basic to advanced cutting-edge topics. AHRMM's Knowledge Center, a searchable database of articles, best practices, white papers, job descriptions, RFPs, and list serve exchanges on hundreds of topics holds current and historical information relevant to the healthcare supply chain that can't be found elsewhere. With its newsletters, list serves, knowledge center, education, and

networking platforms such as the annual conference, AHRMM reaches a significant amount of professionals in the healthcare supply chain and helps to develop “top talent.”

If SMI members are concerned with succession planning and want to recruit top talent, they need to keep abreast of the key developments as they unfold in the industry. In addition to funding and supporting research on current and emerging issues impacting the healthcare supply chain, AHRMM has taken a leadership role in educating the profession about healthcare supply chain data standards, as mentioned above. AHRMM created a healthcare supply chain standards website, and was instrumental in the development of the "Standardization Stat!" video promoting awareness of the issues surrounding standardization. AHRMM's annual conference featured a track designated to standards and will offer several standards courses again in 2010. AHRMM was also a sponsor of the UDI Conference this fall, the industry gathering to help medical device manufacturers, distributors, and hospitals prepare for the impending FDA Unique Device Identification requirement.

Education and training are core to AHRMM's mission and its role in the industry. In addition to its online courses, webinars, knowledge center, publications, and education programs, AHRMM recently introduced a healthcare supply chain lexicon, a searchable online tool with terms specific to the healthcare supply chain profession. AHRMM also provides a myriad of services to help members with job searches, career development, and certification goals, and AHRMM offers educational scholarships to help members meet these goals.

SMI - What does the collaboration relationship with SMI mean to AHRMM, and what do you hope to achieve through the relationship?

Sprindzunas - AHRMM's mission is closely aligned with SMI's mission. SMI has top level supply chain executives from both the provider and supplier side, which brings a new perspective to solving problems and creating tools to help all partners in the healthcare supply chain. AHRMM is able to share that perspective and those tools with its members to help shape and benefit the future of the healthcare supply chain profession and industry. Through its relationship with SMI, AHRMM hopes to continue to build a coalition that will strengthen and advance the healthcare supply chain as well as anticipate and meet the needs of individuals working throughout the industry.

SMI members that are past presidents of AHRMM:

Jean Sargent, John Mateka, Bill Donato, Mike Louviere, John Gaida

SMI members/staff that have received the George R. Gossett Leadership Award:

John Mateka, Bill Donato, Mike Louviere, Tom Hughes, John Gaida

KUDOS to our Members

AMR Research Announces Top 25 in Healthcare

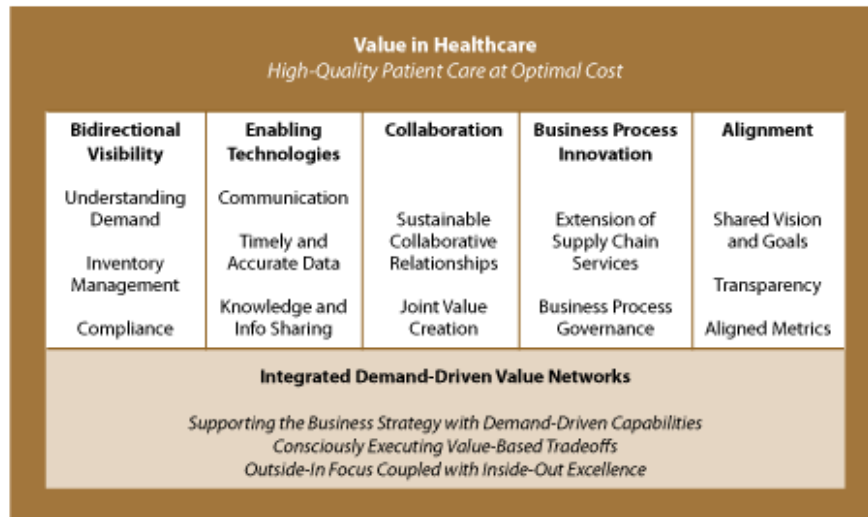


AMR Research provides subscription advisory services and peer networking opportunities to supply chain, sustainability, and IT executives in the consumer products, life sciences, manufacturing, and retail sectors. They are the world’s leading independent research firm focused on the global supply chain and its supporting technologies.

AMR Research’s annual, cross-industry Supply Chain Top 25 identifies the global companies that have best demonstrated leadership in building supply chain excellence and innovation. Specifically, these companies have focused on applying demand-driven principles to their operations to drive significant business results.

According to AMR Research, the interconnected and interdependent nature of the healthcare value chain requires a focus on identifying and realizing joint value across the entire chain. From their research and interactions, they see six strategic leadership capabilities that companies must demonstrate in order to identify and realize joint value (see Figure 1):

Figure 1: Value in the healthcare value chain



Source: AMR Research, 2009

With the bar set to define value across the healthcare value chain, they turned their focus to evaluating life sciences and healthcare companies against this standard. SMI members comprise nearly half of the AMR Research Healthcare Top 25 for 2009 including the following:

- | | | | |
|----|-------------------|----|-----------------|
| #1 | Johnson & Johnson | #3 | Cardinal Health |
| #2 | Sisters of Mercy | #4 | Owens & Minor |

#5 McKesson
 #7 Abbott (processing membership now)
 #9 BD
 #15 Covidien

#16 Cleveland Clinic
 #22 BJC HealthCare
 #25 Mayo Clinic

For the full announcement from AMR Research [click here](#):

The Greenest Big Companies in America



Several SMI members were honored as being among the top 500 greenest big companies in America including:

Johnson & Johnson, #3
 Staples, #20
 Baxter, #35
 3M, #40
 Pfizer, #54
 BD, #83
 Abbott, #88 (processing membership now)

Kimberly-Clark, #120
 McKesson, #190
 Cardinal, #369
 C.R. Bard, #400
 Stryker, #420
 Universal Health Services, #453
 Covidien, #460

SMI Member Webinars – Expanded Schedule

SMI member response to the member-only webinar schedule has been excellent. In an effort to continue the excellent progress SMI members have made in adopting the multiple SMI tools that have been created to-date, the series of SMI Member Webinars has been expanded into January of 2010. These webinars are open to SMI members as well as the staff of SMI member organizations. These 60 minute webinars are designed to introduce participants to SMI and each of the nine SMI tools and solutions currently available. Once webinar participants gain an understanding of the tools, they are encouraged to follow-up with SMI to request additional webinars and to learn more details about any tool that may have application within their organization. SMI can then assist members in adoption planning. If you or your staff are interested in participating, contact Dennis Orthman at dorthman@smisupplychain.com

The expanded webinar schedule:

Dec. 17	@ 11:00am EST/10:00am CST
Dec. 29	@ 1:00pm EST/12:00pm CST
Jan. 6	@ 2:00pm EST/1:00pm CST
Jan. 14	@ 11:00am EST/10:00am CST
Jan. 19	@ 10:00am EST/9:00am CST

SMI Joins National Preparedness Effort

SMI has joined in the national effort to coordinate industry sector planning. The U.S. Department of Homeland Security has established a number of sector coordinating councils for various industries, such as healthcare, airline, food, etc. These Sector Coordinating Councils (SCCs) were created to foster and facilitate the coordination of industry-wide activities and initiatives designed to improve the security of the nation's critical infrastructure. SCC's are self-organized, self-led, broadly representative of owners, organizations, and associations within each sector, and are focused on homeland security and critical infrastructure protection. SMI has joined The Health Sector Coordinating Council's Medical Materials Coordinating Group (MMCG) and will begin working in early 2010 to assist them in their industry planning efforts.

Measuring Effective Relationships V3.0 Project Started

SMI's Measuring Effective Relationship (MER) Tool V2.0 is a flexible database program created in 2007. The MER V2.0 Tool allows two trading partners to:

- collaborate on identifying their relationship priorities in over 40 relationship elements
- rate their performance on those prioritized elements
- produce quantifiable management reports to support subsequent action plan development

Adopters of the Tool report that it has enhanced their collaborative development of quantifiable business relationships that focuses on results beyond the traditional sales/purchase volume and compliance model.

SMI has initiated a review process to solicit user feedback to update and enhance version 2.0. Any members seeking to join this effort are encouraged to contact Dennis Orthman at dorthman@smisupplychain.com. Current plans call for releasing the new version at the SMI Spring 2010 Forum.

Initiative Update

The SMI Teams working on the Value Alignment Initiative and the Product Recall Initiative emerged from their working sessions at the last Forum with great energy. Team members report that their sessions were engaging and productive, setting the stage for continued work in 2010. Initiative Team meeting schedules for 2010 are as follows:

Value Alignment Team (first Mondays)

Monday, January 5 at 1:00pm EST/11:00am MST
Monday, February 2 at 1:00pm EST/11:00am MST
Monday, March 2 at 1:00pm EST/11:00am MST
Monday, April 6 at 1:00pm EST/11:00am MST

Product Recall Team (second Tuesdays)

Tuesday, January 12 at 2:00pm EST/1:00pm CST
Tuesday, February 9 at 2:00pm EST/1:00pm CST
Tuesday, March 9 at 2:00pm EST/1:00pm CST
Tuesday, April 13 at 2:00pm EST/1:00pm CST

Fall 2009 Forum



The fall 2009 SMI Forum was a terrific success. The overall rating for the Forum was 4.8 of 5. Attendance continues to grow, in fact, we had the largest turnout yet! Especially in today's economy, this growth validates that SMI truly is making a mark in the industry. With our carefully designed agenda providing for facilitated deeper dives on timely industry topics and greater interaction and networking between trading partners, these Forums have become the "go to" event in the industry. Member comments like *"Best yet!"* and *"gained information/perspectives that will benefit my company and me"* reinforce that we are on the right track. One attendee wrote *"If ever there was a time in healthcare where working collaboratively among all players was essential, it is today."* Another commented *"I get encouraged each time I come to try and make a difference within my organization and ultimately contribute to helping change healthcare."*

Below are just a few of the comments in response to ... What was the best thing about the Forum?

- *Understanding the top of mind issues of the leaders in the healthcare supply chain*
- *Unbelievable knowledge and experience of the attendees*
- *Interaction with industry leaders and work on important issues that will improve health care*
- *Others' perspective on industry issues that sparked debate*
- *Working on issues that matter for the industry*
- *Examining issues and opportunities from multiple perspectives and insights*
- *Sharing best practices and solving problems together*



The Forum presentations have been posted to the YOUR SMI members only section of the SMI website under Forums (http://www.smisupplychain.com/your_smi/forums.html) and are available through the links below.

Healthcare Policy and Reform: Impact on the Supply Chain

[The Healthcare Value Chain Transformation: The Pursuit of Value and Excellence](#) - Hussain Mooraj, Vice President, AMR Research

[U.S Health Care Reform Update](#) - Greg White, Senior Director, Health Policy and Reimbursement, Johnson & Johnson Health Care Systems

[Healthcare Policy & Reform](#) - Charlie Colpo, Executive Vice President, Administration, Owens & Minor, Inc.

[Healthcare Policy & Reform](#) - Tony Johnson, Corporate Senior Vice President, Chief Supply Chain Officer, Novant Health

[What's New at SMI?](#) – Tom Hughes & Dennis Orthman

[Managing Cultural Change](#) – Lynn Britton, CEO, Sisters of Mercy Health System

[What Supply Chain Issues Keep Me Up at Night?](#)

Bill Donato, Executive Director, Supply Chain Management, Cleveland Clinic

Jim Francis, Division Chair/Assistant Treasurer, Mayo Clinic, Supply Chain Management

[Initiative & Position Paper Updates](#)

Recall Management

Regional Aggregated Contracting

Value Proposition Alignment

[Deeper Dive Debriefings](#)

Collaboration / Integration with Clinical Departments

Consolidating Operations: Shared Service Centers & Evolving Distribution Models

Cost Savings Strategies / Tactics in a Troubled Economy

Healthcare Policy & Reform: Linking in the Supply Chain

Joint Value Creation: New Expectations for Strategic Partners

Pandemic Preparedness



Happy Holidays from SMI!!