

# What's New at SMI?

February, 2010



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**SMI2U** – **Need a speaker? Look within the SMI membership!**




Do you need speakers for internal meetings with your executive team or for broader employer groups? The SMI membership is rich with experience and insight. Recognizing that one of the greatest strengths of SMI is our members, we launched the information sharing program called **SMI2U** in 2009. Keith Johnson of Coloplast recently utilized the **SMI2U** program with great success. This is what he had to say, ***“Teri...fyi...we had a terrific meeting with Vance Moore, Michael Louviere, and Nancy LeMaster as a result of the SMI2U program. Thank you for your help as it brought real value to our company to get insight from these individuals to help guide our strategic thinking.”***

**SMI2U** is designed to draw upon the talents of the membership by creating a roster of speakers and topics that can be shared throughout the SMI membership. Through this program, an SMI member will come to your site and present to your team and leadership group providing in depth answers to marketplace issues. Several members have already connected through this program. If interested in pursuing something for your organization, contact Teri Gallagher.

Look to the website for further information on **SMI2U** under YOUR SMI, Communications.

## SMI SPRING FORUM

The next SMI Forum is fast approaching and we have a terrific agenda. Here are the highlights:

<p><b>General Sessions</b></p>  <p><b>L. Robert Burns</b> The Wharton School</p>  <p><b>Hussain Mooraj</b> AMR Research</p>  <p><b>Tim Randall</b> The Advisory Board</p>	<ul style="list-style-type: none"><li>▪ <u>Future Strategy, Future Growth: How the Recession and Reform Will (and Won't) Change Health Care Economics</u> – <i>Tim Randall, Senior Director of Educational Services - The Advisory Board Company</i></li><li>▪ <u>A 360° View of the Implications of Healthcare Reform</u> (to be or not to be) moderated panel featuring a <b>government / regulatory</b> view, a <b>provider</b> perspective, <b>payor</b> implications, <b>physician</b> reaction, and <b>equipment / technology</b> response<ul style="list-style-type: none"><li>- <i>Hussain Mooraj - Vice President, Healthcare &amp; Life Sciences, AMR Research</i></li><li>- <i>Dan Papadopoulos, MPA - Principal, CCR Policy Group</i></li><li>- <i>Dean Sanpei, MPA - Assistant Vice President, Strategic Planning and Business Development, Intermountain Healthcare</i></li><li>- <i>TBD - Aetna</i></li><li>- <i>Bob Haralson, MD, MBA - Medical Director, DeRoyal Industries</i></li><li>- <i>Thomas Jeffers - Vice President, Government Affairs, Hill-Rom Company, Inc.</i></li></ul></li><li>▪ <u>Comparative Clinical Effectiveness: What it Means for Providers and Suppliers</u> – <i>Lawton Robert Burns, PhD, MBA – Professor/Director, The Wharton Center for Health Management and Economics</i></li><li>▪ <u>SMI Diverse Perspectives Facilitated Roundtable – The Impact of Today's Uncertainty (reform or lack thereof) on the Healthcare Supply Chain</u> featuring viewpoints from various links including <b>manufacturing, pharmaceuticals, distribution, medical devices, IT, and provider executives</b><ul style="list-style-type: none"><li>- <i>Carol Stone - Vice President, Corporate Marketing, C.R. Bard</i></li><li>- <i>John Tara - Vice President, Health Care Systems, Pfizer</i></li><li>- <i>Andrew Van Ostrand - Vice President, Policy and Research, HIDA</i></li><li>- <i>Kevin Stout – Executive Director, Medical Device Supply Chain Council</i></li><li>- <i>Keith Lohkamp - Product Strategist, Supply Chain Management, Lawson</i></li><li>- <i>Deborah Petretich Templeton - Vice President, Supply Chain Services, Geisinger</i></li></ul></li><li>▪ <u>The Standards Sunrise is Dawning</u></li></ul>
<p><b>Deeper Dive Breakout Sessions</b></p>	<ul style="list-style-type: none"><li>▪ Finding and Retaining Top Talent</li><li>▪ The Evolution of GPOs: Emerging Trends in Programs and Services</li><li>▪ Uniqueness of the Healthcare Supply Chain: Fact or Fallacy</li><li>▪ Successful Standards Implementation: Getting it Done</li><li>▪ Strategic Supplier Partnership Program: Putting the SMI MER Tool to Good Use</li><li>▪ Collaboration: Using Perfect Order to Discover Supply Chain Improvements</li></ul>

## NEW MEMBERS

Please extend a warm welcome to our newest members. For a full listing of SMI members, [click here](#).

**Texas Children's** – Terry Cox, Director, Supply Chain Services

**Abbott Laboratories** – Steve Christian, Director, Strategic Accounts and Operations & Hal Lowe, Director – Health Systems; and Jay Sullivan, National Director, Strategic Accounts & Robert Ricker, Manager, Sales Performance Group (Abbott Vascular)

**AtPar, Inc.** – Kishore Bala, Vice President

**BSN Medical, Inc.** – Carl Meyer, Vice President, National Accounts & Distributor Relations

**Cook Medical** – David Reed, Vice President Operations and Corporate Compliance Officer

**Seneca Medical** – Lisa Hohman, Vice President, Marketing and Strategic Relations

**W.L. Gore** – Gene Tierney, Sales Operations, North America

## **SMI CELEBRATES FIVE YEARS**

From a conceptual idea out of The Network of Networks (an IDN networking group from the late 1990s and early 2000s) to a force to be reckoned with in the industry – we’ve come a long way, baby! As SMI enters its sixth year of operation we take pause to reflect upon our various milestones and successes.

We asked our members, “*What do you believe are SMI’s greatest accomplishments?*” Here are the common responses...

- SMI provides thought leadership unsurpassed in the industry
- Creating a pool of best IDN & supplier executives to bring attention to the healthcare supply chain industry showing it’s strategic importance and value to operations
- Establishing a forum where executive supply chain leaders can come together and make a difference
- Providing a forum (like no other) to share ideas and practices
- Orchestrating an alignment of supplier and provider partners
- SMI has created a culture of collaborators bringing vendors and providers together as associates not combatants
- The only healthcare supply chain “think tank” that equally represents suppliers, distributors and providers in the study of problems, in the creation of best practices, and in the implementation of practical solutions
- Establishment of key deliverables which have brought real value to the industry
- Developing industry-wide initiatives and delivering timely output that is available free to all of healthcare
- Beginning to solve some long standing problems in the supply chain arena
- SMI has become the industry-wide leader in the development and the sharing of tools to improve the overall efficiency and effectiveness of healthcare’s supply chain
- Development of programs that assist in adoption acceleration of improved processes including Perfect Order
- Helping elevate the issue of supply chain data standards - SMI was instrumental in forming/driving HSCSC and in assisting members towards collaborative implementation projects - I am sure SMI has helped accelerate the pace of adoption across the industry pushing GS1 standards forward to reality and promoting data synchronization

And my personal favorite... (*Honest, I didn’t write it!*)

- I suppose the obvious answer is hiring Teri Gallagher and Dennis Orthman

SMI was initially staffed by Tom Hughes as executive director. Teri Gallagher was brought in to take care of operations and administration. The first successes of SMI revolved around the Forums which utilize an interactive meeting process offering a balanced blend of large general sessions, roundtable discussions, and small group work teams designed to educate participants and promote development of meaningful solutions, tool and techniques that enable adoptable improvements for the most important issues facing the healthcare supply chain. The Forums offer education and networking opportunities, but are not a platform for sales or marketing. Attendees are active participants and are encouraged to become involved in ongoing SMI projects. From the beginning the Forums were very well received, and have evolved into the “go to” event in the industry per a member survey conducted in late 2009 in which SMI Forums ranked highest in terms of industry events that members had or will attend, as well as in importance and value.

As momentum in SMI grew and the initiative concept took root, Dennis Orthman was brought on board to take the work groups to a new level, with tremendous success. Since inception, ten (10) initiatives have been concluded resulting in the development of nine (9) “Tools” that are made available free of charge to the industry. Additionally, recaps are now posted to the SMI website from the “deeper dive” Forum breakout sessions, including the first Deeper Dive Briefing paper on *Emerging Aggregated Contracting*. All are available on the SMI website under [TOOLS](#).

### SMI Industry Tools

[810 Transaction](#)

[Contract Synchronization](#)

[Link Between Supply Chain and Revenue](#)

[Measuring Effective Relationships](#)

[New Product Introduction Management](#)

[Perfect Order](#)

[SMI Deeper Dive Briefings](#)

[Supply and Labor Cost Calculator](#)

[Vendor Access Guidelines](#)

[Vendor Managed Inventory](#)

## **BOARD BRIEFS - Meet the New Board**

With the onset of 2010 we welcome in a new board of directors. Several of the board members were part of the formative core that built SMI, and others are new to the board this year (see [press release](#) announcing new members). As we celebrate SMI's 5<sup>th</sup> anniversary, we asked each of the board members what they are most proud of from SMI. Below are their responses. Biographies of [SMI Board Members](#) are available on the SMI [website](#).



### **Chairman, Carl Manley – Vice President of Materials Management, Sentara Healthcare**

I am proud of SMI for growing from a conceptual conversation in a Chicago elevator to the industry leader in setting standards for healthcare innovation and response. SMI is the only forum that integrates industry and provider healthcare leaders, in a collaborative response, to improve healthcare supply chain performance and command action on important healthcare issues. I congratulate those initiators who had the vision to recognize the need for SMI, and the staff and members who have made it all possible.

### **Chairman-Elect, John Gaida – Senior Vice President, Supply Chain Management, Texas Health Resources**

At five years I am proud of how successful SMI has been. All parties have grown in building relationships, and the collaborative spirit that we intended from the start remains. At first everyone was a bit cautious and didn't quite know each other. Today we have a very close knit group that interacts nicely. This spills over after and between meetings making business relationships easier and more successful. I am proud that we continue to be solvent and even have a small cushion to continue the good work we have done to date. I am proud of the excellent staff we have at SMI and their dedication to the mission of SMI. Lastly, I am proud of the caliber of people that have joined and continue to stay involved in SMI - this is truly the most important factor and one that makes us who we are!

### **Treasurer, Steve Gundersen – Vice President, Corporate National Accounts, BD**

As a founding member, I am proud to see SMI transform from its initial vision into a broadly supported industry mission.

### **Secretary, Keith Kuchta – Vice President, Global Accounts & Strategic Partnerships, Kimberly-Clark**

While there are many things that I am proud of related to my association with SMI, the two things that stand out are the high level of collaboration within the group and the incredible commitment that members have to making a sustainable improvement to our industry. It is inspiring to participate in an organization where individuals spend an incredible amount of their personal time and energy to develop and implement meaningful solutions. The commitment of these individuals is evidenced at industry events, where SMI members are often leading the way in providing education and guidance on best practices. SMI is making a difference!

### **At-Large, Jim Francis – Division Chair/Assistant Treasurer, Mayo Clinic Supply Chain Management**

I am most proud of the relevance SMI has gained in the industry over five years which is directly attributable to the membership and their commitment to improving healthcare supply chain management.

### **Armin Cline – President, Health Systems, Covidien**

As SMI celebrates its 5<sup>th</sup> anniversary I am proud of the many accomplishments and appreciative of the focus and collaborative effort SMI members have demonstrated to improve the way we conduct supply chain business in healthcare. I believe that initiatives SMI has taken on are truly beginning to make a difference for provider and supplier trading partners. Or, at minimum the initiatives are creating an awareness of trends, challenges and opportunities. I'm delighted with the progress SMI members have made to identify initiatives, then focus on them to see them through to adoption when and if appropriate. The one thing I am most proud of about SMI is the unwavering mission of collaboration between trading partners... providers and suppliers. At SMI I feel there is open collaboration and a real desire to mutually explore ways of slowing the rise in, and even reducing the cost of healthcare.

### **Charlie Colpo – Executive Vice President, Administration, Owens & Minor**

I am most proud of the fact that providers, manufacturers and distributors can sit down together and address the inefficiencies in our respective supply chains. It is my belief that the sharing of best practices and the willingness of our membership to get involved has resulted in many ideas and tools that have helped each organization improve performance.

### **Bruce Johnson – President & CEO, GHX**

SMI provides a unique combination of leadership, strategy, and tools. While many initiatives and organizations might talk about what we need to do to transform healthcare, SMI takes it to that next critical stage, creating tools that can be used not just by its members, but by the industry as a whole.

### **Nancy LeMaster – Vice President, Supply Chain Operations, BJC HealthCare**

I'm proud that we've moved beyond talking to action. SMI has created a forum to build trust between all trading partners and create an environment that fosters a "let's do it" mentality.

**Vance Moore – President, ROi (an operating division of Sisters of Mercy Health System)**

I am most proud of the professionalism and consistency of SMI. Over the last five years many promising concepts have been launched. SMI is a beacon of consistency yet never stale. I believe the interaction with other supply chain professionals truly helps everyone grow in their knowledge of what is important to each party at the table. Additionally, SMI has helped to build key friendships that act as barrier busters in my daily challenges. If I ever have a problem, I feel confident that I can contact any SMI member at any time and they will accept my call as a priority, and I do the same. It takes business to a new level for me – a level that is much more rewarding and effective. I no longer view SMI as a meeting or group, but rather as a highly effective business tool.

**Susan Schuette – Vice President, National Accounts, Hill-Rom Company**

The thing I value the most (or am most proud of) is the thought leadership and collaboration between the members with a shared goal to drive effective change in the delivery of healthcare.

**Gary Wagner – Vice President, Supply Chain Management, The Methodist Hospital System**

I am most proud of the meetings [Forums] that we have been able to put together over the last five years that have provided great education and communication to Supply Chain Executives and our Supply Chain Partners. The reason that these meetings are so successful is the level of participation that we receive from the members, as well as the quality of the members that attend on a consistent basis.



**STAFF SOUNDS OFF**

Rather than go with the obvious New Year resolutions (we all want to lose weight and get in better shape – surprise!) we thought we would go for something more profound. Here’s what we each hope for in 2010. Biographies of the [SMI Staff](#) are available on our website.



**Tom Hughes, Executive Director** – Having been in supply chain management for over 30 years, I am delighted with the very positive change that has been created by SMI. In 2010 I would like to see more focus on the fundamentals of healthcare supply chain such as widespread adoption of data standards, physician/clinical integration with supply chain, clear accountability of clinical supply chain stakeholders, and the positioning of the supply chain executive into the C-suite – easy to do, no, but essential to creating a world class supply chain operation.



**Dennis Orthman, Senior Director** – It is my hope that 2010 shows positive movement on a number of key topics related to the healthcare supply chain industry. I’d like to see significant industry (and SMI member) progress on the adoption of the Global Location Number (GLN) in accordance with the published sunrise dates. I’d also like to see a reduction in the level of uncertainty our industry experiences because of the national healthcare reform effort. Once we have a better sense of what the future holds, I know we will plan appropriately for it. Finally, I’d like to see a continuation of the increased engagement by SMI members in the work that SMI is doing to help shape that future. The engagement of our members in initiatives, workgroups, Forums, and other activities has really increased in the last few years and I hope that trend continues.



**Teri Gallagher, Director** – What do I hope for in 2010? World peace, of course. And support for the underprivileged, as well as those stricken by disaster (such as the recent, horrific earthquakes in Haiti). I hope too that our nation finds a way to implement reform practices that allow quality care for all – getting there is obviously one of the greatest challenges of our time. And I hope that we all contribute in some way towards social responsibility in our communities, helping to pave the way for a better future for our children and grandchildren. For SMI, I hope that we (collectively) continue to enhance our collaborative efforts to improve efficiencies in the healthcare supply chain. We truly are shaping the future! And I hope to be able to continue my personal quest to make each SMI Forum better than the last.

**IN OTHER NEWS**

**BARRON'S COVER**

| MONDAY, FEBRUARY 15, 2010

# The World's Most Respected Companies

By VITO J. RACANELLI | [MORE ARTICLES BY AUTHOR](#)

In Barron's sixth annual survey of the most respected large companies, three SMI members made it in the top 25 – J&J was #2, 3M was #15, and Abbott was #24. Congratulations!! The study included a recap of what inspires respect.

## What inspires respect?

Professional investors repeatedly point to management, strategy and ethics, not stock price, as determinants of their admiration for companies.

### MOST IMPORTANT FACTOR



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## HEALTHCARE PURCHASING NEWS

January 2010

People & Opinions  
by Kristine Russell

SMI supply chain leaders focus on transformation

With the ongoing national healthcare reform efforts serving as a backdrop, the Strategic Marketplace Initiative's Fall 2009 Forum, held in November in Orlando, focused on the transformation efforts required to address the requirements of healthcare reform, with SMI members from across the country exploring the potential impacts and engaging in discussions about how to transform both the industry and supply chain organizations to meet the challenge.

[View the Full Article](#)



**PRESS RELEASE: New GS1 Product Identification Standard - foundational for patient safety and supply chain improvements - enables further effective and efficient harmonization of bar code, RFID and traceability systems in healthcare worldwide**

GS1 Healthcare, the global, voluntary Healthcare user group, announced the publication of the GS1 standard for the Automatic Identification and Data Capture (AIDC) of medical products. This voluntary standard provides industry stakeholders with a common set of data and data carriers for medical products at every packaging level.

[View the Full Press Release](#)

[www.gs1.org/healthcare](http://www.gs1.org/healthcare)

To learn more about the role SMI has taken in industry standards and to access additional resources on the topic, [click here](#).