

The Next Chapter in Healthcare **Supply Chain Collaborations Post Pandemic**

A Best Practices Guide to Building New Ways of Doing Business



Background / Information

As trading partners look to re-engage post-pandemic with a myriad of supply chain challenges, there has never been a more compelling time to COLLABORATE with one another to improve performance and make transformational changes in the healthcare supply chain. The SMI Collaboration Council is focused on:

"Demonstrating collaborative actions that lead to improved supply resiliency, overall efficiency, joint value creation and higher quality patient care."

DEFINED

Effective collaboration leads to more innovation, increased efficiency, and successful outcomes.

Trust, mutual respect, shared goals, resources, investment, and open communication are important preconditions to a meaningful collaboration. Collaboration can be bilateral (between two trading partners) or multi-lateral (multiple participants).

START WITH A PROJECT

1) Select a Trading Partner 2) Identify what level describes your current collaboration (see below) 3) Agree on what level of collaboration is desired 4) Define the vision, goals, and scope of the collaboration 5) Develop baseline performance metrics (KPIs) and manage to those metrics 6) Be transparent, implement change and continuously improve together.

Relationship and Performance Management Maturity Model

TRANSACTIONAL



Trading partners that agree to conduct business principally for accessing products, services, or equipment upon standard or customized contract terms and conditions.

COLLABORATIVE



Trading partners that provide a set of unique offerings to advance either partner's strategic imperatives, including cost savings, increased safety, higher quality and/or care coordination.

STRATEGIC



Trading partner agreement on a defined set of offerings and initiatives that result in market-leading value creation. Joint alignment of both organization's strategic imperatives.

INTEGRATED



Trading partners that have made a joint commitment of resources and capabilities often embedded in a provider's operations. This type of collaboration is often characterized by a standard risk/reward model and joint investment toward meeting the goals of the collaboration leading to enhanced value for both trading partners.

<u>Benefits of Collaboration</u>: 1) Pursue new opportunities and models for change. 2) Increase trust. 3) Share accountability. 4) Improve performance. 5) Strategically enable a key project or initiative 6) Manage business challenges. 7) Effectively manage change. 8) Innovate and transform supply chain practices.

Source: Allina Health & SMI

POTENTIAL TOPICS TO TACKLE TOGETHER

- Increased bi-directional transparency and visibility to improve supply chain resilience
- Data Standards, Sustainability, Vendor Credentialing or other advocacy issues
- Improved patient outcomes through supply chain
- Lower total cost to serve
- Innovation in the healthcare supply chain through collaboration



Collaboration in a post-pandemic world: what has changed?

The COVID-19 pandemic dramatically changed the way business-to-business is conducted.

Trading partners have adopted a work-from anywhere strategy, relocating staff off-site with extensive use of virtual relationship management (VRM) technology.

VRM tools have enabled increased participation / expertise from clinicians and executives, enabled efficiency, productivity and cost savings. However, the ability to collaborate in a remote working model is inherently more difficult and requires creativity.

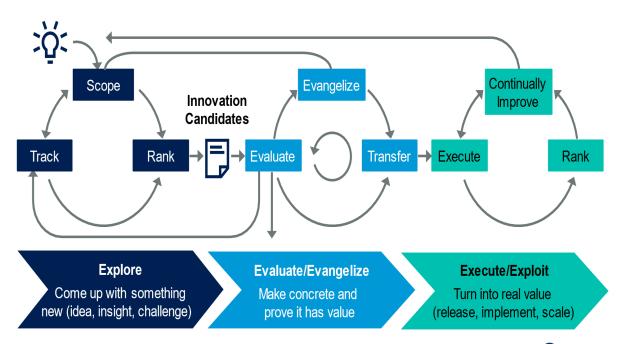
 Λ Supplier access to providers has been restricted and likely will be restricted further.

⚠ In-person meetings are focused on more strategic purposes based on the need for collaboration.

Depending upon the degree of collaboration maturity both providers and suppliers are likely to purposefully meet around a common goal, issue, or problem.

All trading partners must seek ways to strengthen their collaboration in key "strategic relationships".

CROSSWALK YOUR PROJECT TO CREATE A REPEATABLE PROCESS TO CATALYZE COLLABORATION LIKE THE ONE SHOWN HERE:



Gartner



Ready for collaboration? What does the perfect collaborator look like?

- Mutual understanding and agreement about the existing level of collaboration maturity, desired changes, and opportunities are pursued.
- Gaps or barriers to achievement of the desired state are identified. Example: a transactional collaboration may be appropriate and all that is desired between the trading partners.
- Critical success factors such as mutual respect, trust, open, honest, direct communications, and listening skills are demonstrated
- Willingness to invest in the effort and be an active partner of long-term value creation are priorities for both trading partners (e.g., time, shared risk, resources, financial investment, shared goals, etc.) Senior leaders are supportive and engaged and other key stakeholders and SMEs may be involved.
- Feedback is provided on each other's performance (e.g., scorecard) to improve overall relationship management.

SMI CONTRIBUTING MEMBERS:









































































🗾 info@smisupplychain.com www.smisupplychain.com 📞 508.732.0059 💡 182 Summer Street #248 Kingston MA 02364