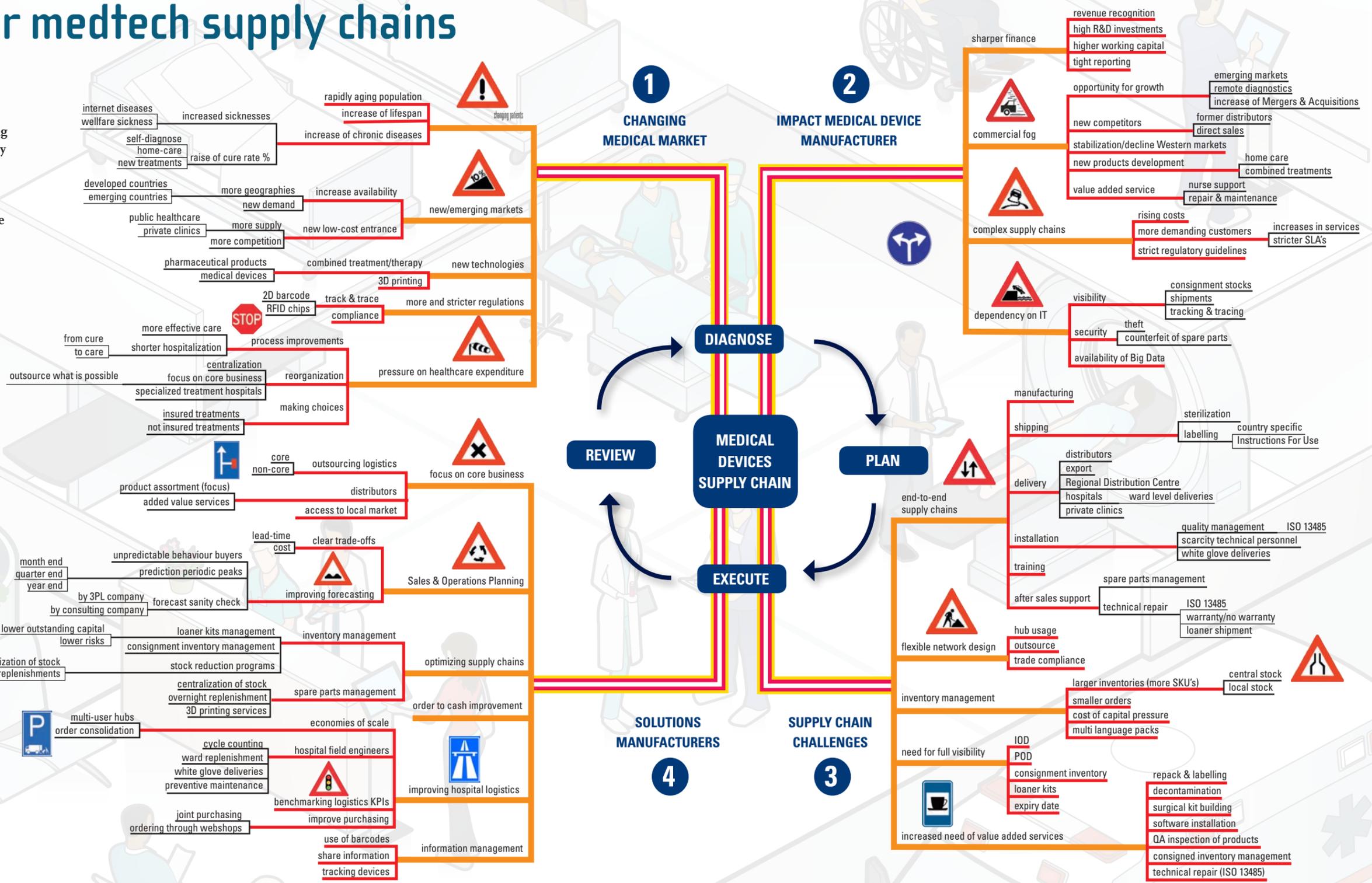


Mindmap for medtech supply chains

The healthcare market is an interesting one for suppliers of medical devices in view of the rapidly ageing population and new opportunities that are emerging all the time. On the flipside, the industry is facing ever-tighter legislation and regulation, combined with growing pressure on (public) healthcare spending. Together with logistics service provider DSV, Supply Chain Movement has created a mindmap outlining the route for the medical device supply chain, including road signs indicating potential hazards along the way.



MINDMAP MANUAL

The healthcare market is changing fast as a result of the rapidly ageing population and a substantial increase in average life expectancy. The number of chronic diseases is on the rise, but so too are survival rates. At the same time, new sales markets are emerging for manufacturers of medical devices, and innovative technologies such as 3D printing are making a breakthrough.

Offsetting these opportunities are stricter regulations and legislation and pressure on (public) healthcare expenditure. Manufacturers of medical technology ('medtech') must choose a clear strategy: **Plan**. The changing healthcare market is affecting medtech manufacturers in several ways. Various rules, such as the one stating that turnover can only be coun-

ted as such when the medical device has actually entered use, mean that they have to follow stricter accounting practices. Growth opportunities, new competitors, in-house product developments and the addition of extra services are muddying the commercial waters. Supply chains are becoming increasingly complex with rising costs, ever more demanding customers

and rigidly upheld guidelines. At the same time, dependence on IT systems is growing, which forms both a risk and a potential opportunity. Medtech producers have no choice but to execute a strategic plan: **Do**. There are considerable challenges facing the supply chains of medtech companies. They must have complete control over the end-to-end supply chain, from manufac-

turing right through to after-sales support. A flexible network design is a must in order to meet wide-ranging customer demands – which include an increasing desire for value-added services – and to comply with industry regulations. A strategic focus on managing inventory and gaining supply chain insight will enable working capital to be minimised while maintaining the required

service level. Medtech manufacturers must have a clear understanding of their supply chain challenges: **Check**. The solutions for medtech supply chains lie in three main areas: hospitals, suppliers and information management. Improving hospital logistics processes, outsourcing logistics and improving procurement activities can deliver impressive results. Wholesalers

and manufacturers alike can make their supply chains more competitive by working with medical kits on loan or consignment stock, for instance. The use of barcodes and tracking devices can prevent unnecessary waste. Fundamental improvements in the supply chains of medtech companies can give them a competitive advantage in a rapidly changing market: **Act**

