




Consolidated Service Center


Healthcare Self-Distribution





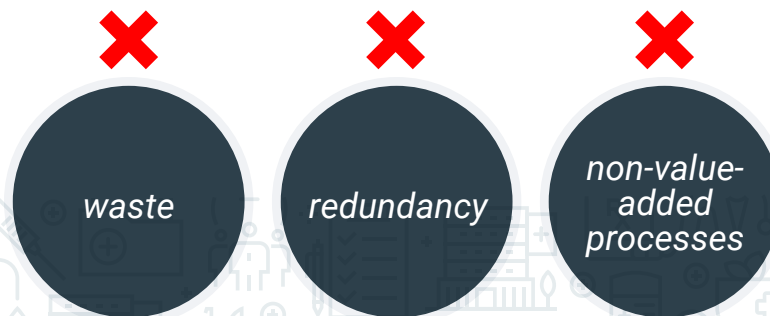
Healthcare leaders have the mandate to drive the evolution of their health systems to an interconnected network of acute and non-acute facilities to provide patients consistent, quality outcomes, no matter where they are — at a clinic, in the hospital, at home or at the doctor's office.

Every health system is striving to transform their organization to deliver safe, quality patient care at relatively the lowest possible cost.



Executives need to reduce costs while improving their focus on the quality and safety of patient care. Therefore, they are looking for new and innovative ways to strengthen their hospital supply chain network.

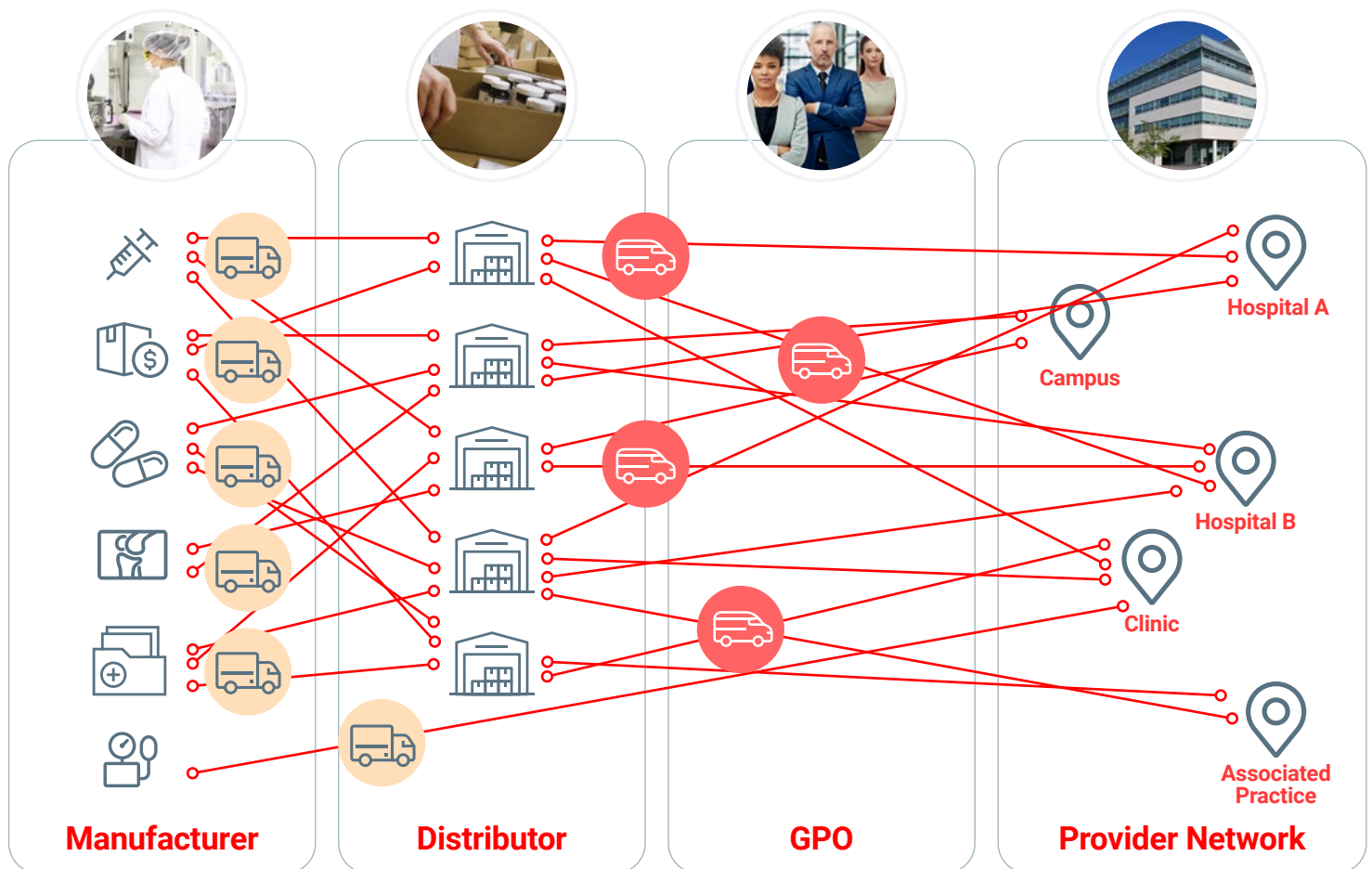
Many are focused on identifying and removing non-value-added processes in order to accomplish this objective. By eliminating waste, redundancy and non-value-added processes, health systems' executives can reduce total supply chain cost, increase staff productivity and deliver quality care to patients.



Legacy Supply Chain Model

The traditional healthcare supply chain model encompasses a very narrow span of control, erratic supply replenishment and manual processes, siloed supply chain pockets and lack of visibility of inventory across the health system network. This prevents the organization from achieving its supply chain objectives with sustainable operational flow and improvement.

In this legacy supply chain model, facilities throughout the network do not have a common inventory or system. Typically, they are not interconnected. Departments and hospitals are serviced individually, oftentimes by many distributors, manufacturers and delivery suppliers, which results in significant duplication of effort and tens of millions of dollars in waste.



Many health systems have realized that consolidating control over siloed supply chains in pharmacy, medical-surgical, general supplies and medical devices, among other ancillary services, can lead to sustainable and fundamental improvements. As a result, these organizations have realized a substantial change in their performance culture and quality outcomes.





65%

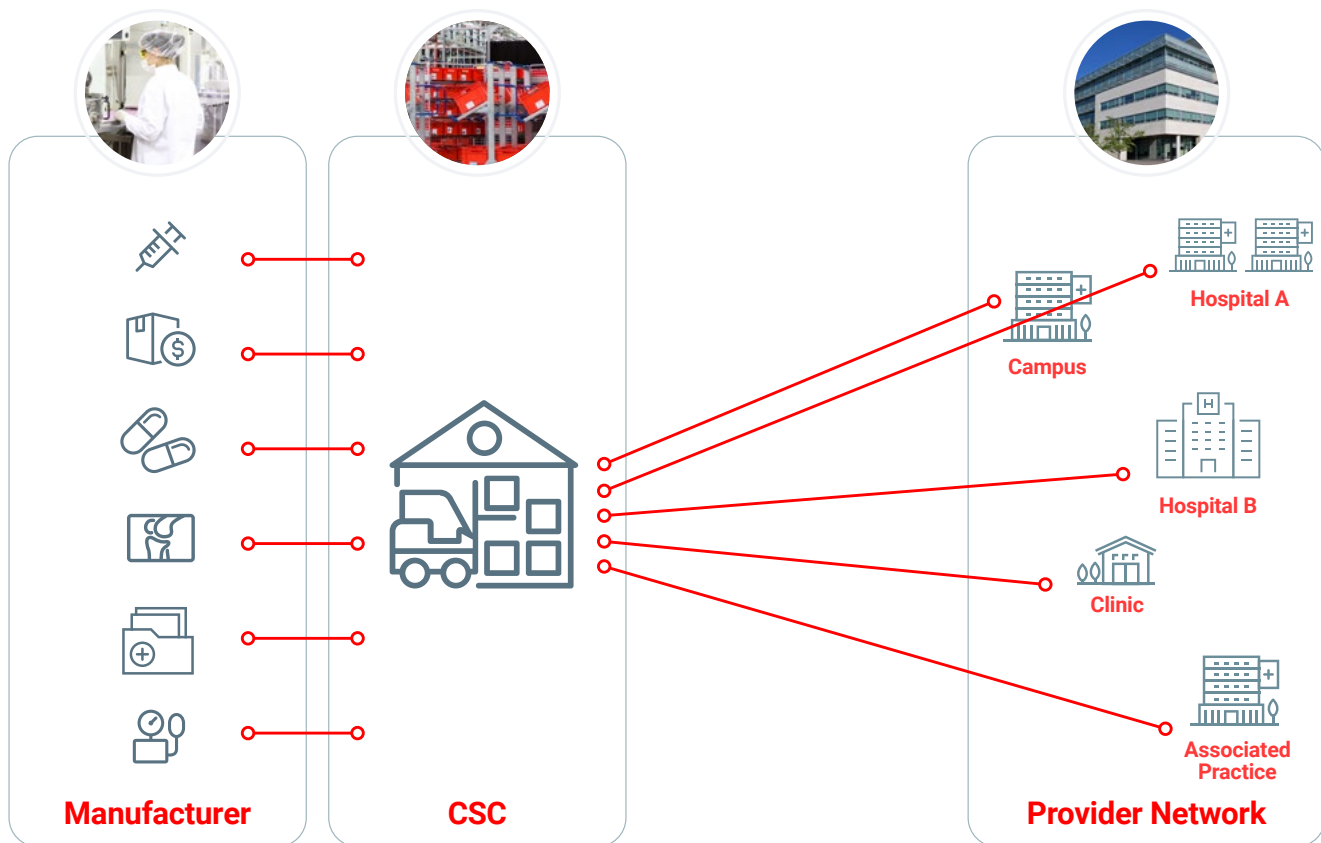
Top performing adopters are operating with up to 65% less supply chain expenses.

The Consolidated Service Center Model

Tecsys' vision of a consolidated service center (CSC) goes beyond medical-surgical product distribution. The Tecsys-enabled CSC is a supply chain core competency to leverage shared technology and physical infrastructure for the primary and many ancillary services of the entire health system network, no matter where the patient is.

We turn to Gartner, the world's leading information technology research and advisory company, who is shedding light on a very real issue in health systems. Its depiction of a CSC, comments on the adoption of this model and related critical success factors is the most complete and accurate analysis to date.

Over the past few years, the CSC model has been more widely adopted in healthcare networks that range from small to very large. When the CSC model is properly implemented, hospitals have experienced success and have gained tangible and intangible benefits. Health networks are taking back control of cost structures and ensuring they can maintain and monitor the highest level of patient safety.



Key Value Drivers

Standardization of products.

Improved visibility and reduction of inventories required to support the health system.

More delivery options in negotiating terms with suppliers.

Handling efficiencies at point of use through the reduction of the number of deliveries.

Ability to take advantage of bulk or forward-buying offers from key suppliers.

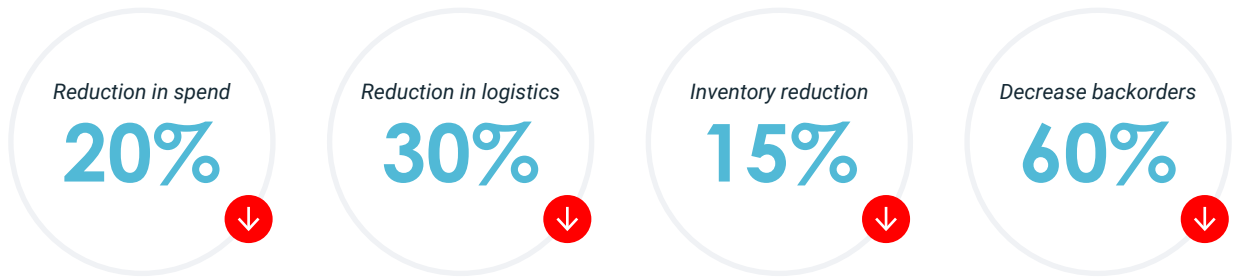
Logistics efficiencies by consolidating deliveries inbound into hospitals.

Ability to add or move additional functional areas to the CSC (ancillary savings).

Pick and pack efficiencies through improved warehouse processes, automation and measurements.

Release of valuable real estate in hospitals that was previously used to store supply inventory.

Consolidation of supplier deliveries inbound into the CSC.



Savings

Tecsys has helped all types of health systems – from small rural hospitals to the biggest systems – design, build, staff and launch a consolidated service center. Our smallest is a two-hospital health system that realized ROI within 10 months.

The main payback comes from our technology platform's ability to deliver on inventory management and controls, in addition to the standardization of products and processes across the health system network. The CSC becomes a catalyst for these improvements – standardization, contracting, bulk buys, efficient demand planning, system-directed processes, total visibility of inventory across the health systems network, tracking of serial numbers, expiry dates and delivery management.



This leads to controls around the associated spending and improved service levels with just-in-time delivery of supplies for uninterrupted patient care with the right medication, med-surg supplies and clinical instruments.



- **Reduction in spend through better purchase prices, up to 20%**
 - Bulk purchase and market share discount.
 - Price point improvement.
- **Reduction achieved in logistics and handling costs, up to 30%**
 - Reduce transportation costs for all types of shipments including local supply chain.
 - Consolidated shipment and invoicing.
 - Labor rationalization.
- **Inventory reduction, up to 15%**
 - Release hospital supply storage space.
 - Reduce cost of inventory while effectively tracking product consumption by clinic area.
 - Improvement in inventory turnover.
- **Reduce by 20% the amount of suppliers**
 - Reduce supply chain complexity.
- **Decrease backorders between 20%-60%**
 - Increase your fill rate.
- **Decrease in cost of wasted stock**
 - Eliminate obsolescence and expired products at your facilities.
 - Eliminate procedural inventory write-off.
- **Risk mitigation**
 - Better control of counterfeit and recalled products.
 - Improved traceability (reduce tracing fees).
- **Improved services level and engagement with clinical teams**
 - Free up clinicians to focus on quality patient care.
 - Decrease cost of outsourced services while driving higher compliance.

Tecsys Platform

Tecsys equips health systems to transform their operations into a transparent, efficient and optimized supply chain network through to point of care. Clinicians can invest time in patient care, while behind the scenes the Elite™ Healthcare supply chain platform provides efficient and effective execution.

In a recent CSC practitioners' survey, respondents stated that they wish they had planned better for the future when selecting a healthcare supply chain management system. Select a platform that can support any expanded capabilities upfront such as lab specimen delivery, pharmacy distribution, case carts preparation, custom packs assembly, point of use inventory, etc. to avoid growing out of an initial limited warehouse management system (WMS) and having to replace it.

With Tecsys, health systems can control their own destiny by managing their supply chain, from source to patient. They are also able to reduce product and operating costs, as well as excessive costs associated with the purchasing, warehousing and delivery of products and supplies. Using the software's key capabilities, an organization can eliminate unproductive steps in the supply chain, improving quality of service and inventory management across its organization.

Elite™ Healthcare Solutions

Enterprise Visibility and Control



Elite™ Healthcare
SCM



Elite™ Healthcare
WMS



Elite™ Healthcare
TMS and Elite™
Healthcare DM



Elite™ Healthcare
POU



Elite™ PIMS



Elite™ Healthcare
Analytics



Elite™ Healthcare SCM

- Provide services to health systems in addition to LUM and bulk-buy distribution.
- Centralize pharmaceutical distribution activities from unit dose packaging to IV compounding.
- Compliance with all industry requirements: GSI, DSCSA, HIPPA and NDC.



Elite™ Healthcare WMS

- Visual logistics to improve accuracy and speed.
- Enable surgical custom packs assembly and case carts preparation.
- System-directed operations to improve user workflows.



Elite™ Healthcare TMS and Elite™ Healthcare DM

- Centrally manage common carrier services and delivery activities.
- Track the transportation of lab specimens.
- Extend services to home care delivery.



Elite™ Healthcare POU

- Enable complete and accurate control of all supply categories across all departments in a delivery of care setting.
- Gain visibility of pharmacy multiple inventories across the system.
- Access case costing analytics through clinically integrated supply chain.



Elite™ PIMS

- Increase visibility into all pharmacy inventory locations while consolidating demand and automating purchasing throughout the organization.
- Establish a single point of entry to all pharmacy supply chain transactions and databases to obtain a complete demand picture.
- Meet DSCSA track-and-trace compliance and unburden pharmacists with logistics tasks so they can engage in more clinical activities that improve patient outcomes and reduce readmissions.



Elite™ Healthcare Analytics

- Access to benchmark key performance indicators (KPIs) from Warehousing Education and Research Council (WERC).
- Employee and warehouse dashboards to monitor performance.
- Track and monitor critical supplies across your health system.

About **Tecsys**

Since our founding in 1983, so much has changed in supply chain technology. But one thing has remained consistent across industries, geographies and decades – by transforming their supply chains, good organizations can become great.

Our solutions and services create clarity from operational complexity with end-to-end supply chain visibility. Our customers reduce operating costs, improve customer service and uncover optimization opportunities.

We believe that visionary organizations should have the opportunity to thrive. And they should not have to sacrifice their core values and principles as they grow. Our approach to supply chain transformation enables growing organizations to realize their aspirations.



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