

Peter Bromley, director of healthcare strategy, UPS Europe, wonders whether there is a cure for the European healthcare sector's ailing supply chain.

Finding a cure

Until recently the investment required of medical device manufacturers and distributors to provide quality after-sales services has proved significant, both in terms of time spent and associated costs. However there is an alternative. Rather than spending time on securing, tracking, storing and delivering parts in-house, a ready-made after-sales system managed by a third-party logistics provider can be put in place which ensures rapid and reliable access to inventory via a global service parts logistics network.

Today a number of third-party logistics providers (3PLs) are offering robust after-sales services linked to strategically-placed field stocking locations (FSLs). From these distribution points field technicians can quickly source repair and replacement parts or even have these delivered directly to a customer's site.

Large medical equipment manufacturers – responsible for highly specialised medical devices – share common supply chain concerns. For example, parts often need to be delivered immediately so as not to

impact crucial healthcare and diagnostic services.

Maintaining the uninterrupted operation of such critical equipment is of the utmost importance: generally speaking, the more expensive and complex the equipment, the more pressing the need to keep it operational at all times.

Healthcare companies also face regulatory and quality-control obligations that include strict distribution and quality assurance requirements. Thankfully, certain 3PL providers have proven solutions that minimise these obligations, ultimately saving manufacturers time and money.

The healthcare industry must at all times maintain the highest possible standards in quality, order inventory, delivery accuracy, compliance, traceability, secure storage and responsiveness. A knowledgeable and experienced third-party logistics supplier can not only manage existing inventory – which frequently requires handling and storing materials in specially conditioned facilities for humidity and temperature control – but also document the lifecycle of the product.

Experience shows that partnering with a leading 3PL can cut costs in the long term, particularly when a company lacks the expertise, infrastructure or systems to tackle such challenges independently. In addition, healthcare manufacturers can benefit by turning an outsourced supply chain into a competitive advantage.

UPS has been helping customers in North America tackle these

specific challenges for many years. Since the beginning of 2009 all these services are available across Europe, too. UPS has expanded its European logistics campus at Roermond, in the Netherlands, in order to solve the supply chain challenges of any healthcare, pharmaceutical, medical equipment or life sciences company that seeks to grow its business in Europe.

Samsung case study

Samsung America Healthcare was facing a supply chain challenge. It needed to meet the demands of its US-based retail customers who sought to increase efficiency, contain freight and transportation costs, resolve inconsistent tariff classifications and manage multiple suppliers located in Asia.

Working with UPS, a solution was quickly found. UPS focused on consolidating processes associated with ocean and air freight shipments, customs brokerage and ground delivery, resulting in an integrated, multimodal supply chain. The result was a streamlined product flow, consistent and accurate customs classifications, reduced transit times, fewer handoff-related delays and an integrated method for processing accounts payable transactions which enhanced cashflow.

"Feeling the pressure from major retail accounts to become more efficient and contain costs put a continuous strain on our staff," said Jack Woo, Samsung America's director of business development. "With the help of UPS, Samsung America Healthcare reduced erratic freight costs, cured inconsistent tariff classification woes and managed multiple providers of products half a world away." ●

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