

# Supply Chain Optimization

Improve efficiency, decrease complexity, and reduce waste associated with procuring, delivering, and distributing Johnson & Johnson Medical Devices Companies (JJMDC) devices through best-in-class order performance, inventory management, and logistics strategies.

## Attributes

- Capabilities to deliver the right product at the right price, at the right time, in the right condition
- Supply chain specialists with expertise and proprietary tools to optimize inventory levels
- Logistics and cost transformation programs to enhance current processes and establish advanced delivery models

## Benefits

- Decrease variation in procurement, distribution, and clinical processes
- Increase focus on quality through improved supply reliability and employee engagement
- Improve utilization of limited resources, such as working capital and personnel

## Improve Efficiency. Reduce Waste.

For **every \$1** of cost of goods, a provider spends **up to \$2** in managing resources<sup>1</sup>

45%

Total supply chain costs can account for up to 45% of a provider's operating budget<sup>2</sup>

*Physicians and nurses currently spend, on average, nearly 20% of their workweek on supply chain and inventory management; this time, which if reallocated, could be spent with patients, on research and education, or on training new staff<sup>3</sup>*

## Needs Identification

1. Your team shares your supply chain goals and priorities, providing a starting point on what you want to change and why
2. Together, your team and JJMDC analyze data, identify mutual areas of focus, and clearly define goals and responsibilities related to the JJMDC portfolio
3. JJMDC supply chain professionals perform an on-site assessment to obtain additional insights that will align JJMDC's capabilities with your specific needs
4. Based on assessment findings, JJMDC provides tailored recommendations
5. Your team and JJMDC agree on an implementation plan to address top needs, and establish metrics to track progress

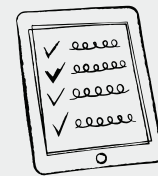
## Delivering Results – 22-facility IDN



100% on-time delivery

99.6%

line item fill rate (LIFR)



99.9% invoice accuracy

These are examples only and do not guarantee or predict future results, which will vary depending on individual circumstances

To learn more please visit [www.CareAdvantageJJMDC.com](http://www.CareAdvantageJJMDC.com) or  
email [CareAdvantageJJMDC@its.jnj.com](mailto:CareAdvantageJJMDC@its.jnj.com).

#### References

1. Nachtmann H, Pohl EA. The State of Healthcare Logistics: Cost and Quality Improvement Opportunities. Center for Innovation in Healthcare Logistics, University of Arkansas, July 2009. Available at: [http://wordpress.uark.edu/engresearch/files/2013/11/The\\_State\\_of\\_Healthcare\\_Logistics\\_July\\_2009.pdf](http://wordpress.uark.edu/engresearch/files/2013/11/The_State_of_Healthcare_Logistics_July_2009.pdf). Accessed April 5, 2017.
2. Marzouk S, Nelson S. The biggest untapped resource at your hospital? Your supply chain. Cardinal Health website. Available at: <http://www.cardinalhealth.com/en/essential-insights/the-biggest-untapped-resource-at-your-hospital-your-supply-chai.html>. Updated February 14, 2017. Accessed April 5, 2017.