

# 11i SUPPLY CHAIN MANAGEMENT FOR HEALTHCARE: REDUCE COSTS AND IMPROVE SERVICES

## KEY BENEFITS

Oracle Supply Chain Management for Healthcare **key benefits:**

- Reduce procurement costs as much as 20 percent
- Reduce cost by reducing inventory levels and by eliminating supply errors and redundancies
- Increases efficiencies in the healthcare supply chain and shortens lead times
- Supports organizational policies by allowing employees to order supplies online from your approved vendor lists
- Increases collaboration and strengthens key supplier relationships
- Reduces cost through improved decision-making about product costs, terms and choice of vendors

## KEY FEATURES

Oracle Supply Chain Management for Healthcare **key features:**

- Real Time intelligence to analyze and create strategic sourcing relationships
- Makes needed information available to your employees and suppliers with easy to use self-service applications
- Eliminates rework and manual interventions during the procurement process
- Complete logistics management to ensure the right supplies arrive at the right location at the right time.

*Would you like to take cost out of your supply chain while improving healthcare services? Would you like to simplify and automate your supply chain processes while obtaining enhanced visibility? Would you like to introduce the best self-service model for procurement while at the same time significantly reducing off-contract spending? Oracle is committed to helping healthcare organizations achieve these goals by delivering an integrated Supply Chain Management for Healthcare solution enabling lower fulfillment costs, shorter delivery lead times and improved ability to focus on service delivery rather than administrative processes.*

## Overview

Healthcare organizations today are looking for opportunities to improve operational efficiencies and reduce costs without negatively impacting patient care. Creating a supply chain that connects employees in the medical facility, fosters collaboration and offers suppliers visibility into demand and supply is essential to reducing overall supply chain costs. As a key element of Oracle E-Business Suite, Oracle Supply Chain Management for Healthcare is an integrated solution that provides the following key capabilities:

- Collaborative Planning
- Procurement
- Inventory Management
- Integration

## Procurement

Procurement represents a critical opportunity to cut costs in the supply chain. Traditionally, procurement processes have been manual and paper-based. This results in inefficiencies, inaccuracies and waste that can be easily eliminated with procurement automation. With Oracle Procurement, healthcare organizations can automate the complete procure-to-pay process and analyze purchase transactions to further drive continuous processes improvement. Using Oracle Procurement, companies realize as much as a 20 percent savings of the total procurement spend; source, negotiate, and collaborate more effectively with suppliers; automate employee requisitioning and receiving, while lowering costs with streamlined supplier collaboration.

## Source for the Best Value

Oracle Sourcing offers sophisticated negotiation capabilities that reduce the time it takes healthcare organizations to source new products and services, and optimize the value of existing contracts. Sophisticated negotiation tools allow you to utilize the right sourcing strategy for every situation. You can optimize the results of bargaining by employing reverse auctions as well as traditional RFIs, RFPs, or RFQs. Oracle Sourcing online collaboration replaces the complexity of multiple paper transactions with real-time negotiations and many bidding attributes.

### Supplier Collaboration

Oracle iSupplier Portal facilitates convenient, secure self-service business transactions between buyers and suppliers via the Internet and without the need for EDI. Through the use of a standard Web browser, Oracle iSupplier Portal gives suppliers the complete visibility into the procure-to-pay process and provides the ability to perform the following key business functions:

- Reviewing purchase order agreements
- Tracking inventory balances and manage consigned inventory for high cost, slow-moving supplies in the OR and Cath Lab.
- Acknowledging orders to indicate whether supplies are on backorder
- Submit change order requests for promised delivery dates
- Alert buyers to upcoming shipments by posting Advance Shipment Notices (ASNs), eliminating the need for phone calls, faxes and e-mails.

### Identify Savings and Supply Chain Improvement Opportunities

Healthcare organizations can spend twenty-two percent or more purchasing goods and services, but most fail in identifying and capturing significant opportunities to save money and improve performance. Oracle Purchasing Intelligence uses comprehensive analysis and reporting tools allowing you to gain unparalleled knowledge of your purchasing and supply operations. For example, you can review how much the entire organization spent with a particular supplier, how much the Cath Lab department spent off contract, and whether your health system is in compliance with negotiated contracts. With this knowledge, you can quickly monitor compliance with organization initiatives, improve supplier service, optimize operational efficiency, and assess emerging supply requirements and make strategic decisions that can reduce overall spend.

### Inventory Management

For Healthcare organizations to function they require accurate medical supply and equipment orders, tailored to the patient's needs, and delivered on-time. Oracle Inventory Management helps you meet those expectations and provides functionality specific to the healthcare industry including:

*Inventory Replenishment:* Use min/max and reorder planning to easily restock as needed. Establish replenishment source(s) for each either as a supplier or an internal location.

*Patient Charged Supplies:* Associate use of goods directly to patient accounts and simultaneously decrease inventory balances. Reduce potential lost charges. Use effective date, lot, and serial tracking to gain control, history, and visibility into inventory movements. Query material usage transactions online. For example, healthcare organizations can better react to product recalls by easily tracking what items were administered to which patients, thus improving clinical performance.

*Charge Master Management:* Associate items to the charge master through simple field level association to the external patient accounting system. Facilitate easy reporting and transaction history visibility.

*Warehouse Management:* Oracle Warehouse Management (Oracle WMS) is a fully integrated component of Oracle's integrated E-Business suite. It supports warehouse resource management and configuration, task dispatching, flexible pick methodologies, advanced material handling and control, material status, and the support of highly automated material handling environments. Oracle WMS has been designed from the ground up to leverage the power of

mobile hand-held computers, bar code scanning, process automation and real-time validation to increase the accuracy and efficiency of material handling business processes.

### **Increase Operational Efficiency with Mobile Computing**

Today the demand for accurate, real-time information and the need to increase inventory velocity throughout the supply chain is driving the proliferation of mobile computing for warehousing, distribution, and quality. Mobile Supply Chain Applications support the use of mobile (RF) devices and bar coding for warehouse management, distribution, logistics, and transportation including inbound logistics, outbound logistics, advanced inventory, storage and facility Management. Gain accurate, real-time information and increase inventory velocity as you replenish orders from the supply chain.

### **Integration**

Segmented data, disparate applications, lack of automation, and a disconnected supply chain can slow you down and cost you money. Lack of integration between data, applications, and the supply chain makes it difficult to connect with partners, suppliers, and internal and external customers. A disparate system makes it hard to respond to change or to utilize existing resources efficiently.

Oracle E-Business Suite is a single platform for all of your integration challenges. It provides application-to-application, business-to-business, and business process management; as well as data integration, web services and mobile technologies integration. With Oracle-Business Suite Integration, you can connect disparate information sources, seamlessly exchange data, streamline business processes, and collaborate with your partners. Oracle offers a comprehensive integration methodology built on open standards to address the industry specific needs of healthcare.

Oracle's E-Business Suite for SCM/Procurement has proven to reduce total cost while maximizing an efficient supply chain for over 10,500 customers worldwide.

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