



Biomedical Supply Chain Strategies Managing Relationships for Optimization

Friday, January 7, 2:00 pm

Thanks for joining us...

Today's Agenda

- Welcome and Intro
 - Matt Schutte, BioOhio Director of Corporate Communications
 - Scott Osborne, BioOhio Director of Business Development
- Supply Chain Management – A partnership model
 - Douglas M. Lambert, Ph.D. – Fisher College of Business
- A “Buyer” Perspective on Supply Chain Strategy
 - Peter S. Maruszewski, MBA, CSCP – Eurand
- A “Supplier” Perspective on Supply Chain Strategy
 - Roy Starks – Libra Industries
- Concluding Remarks

Raise your “virtual hand” at any time to ask question “on air” or submit question on bottom of webinar dashboard for moderator to read

Supply Chain Management

Douglas M. Lambert, Ph.D.

**The Raymond E. Mason Chaired Professor and
Director, The Global Supply Chain Forum**



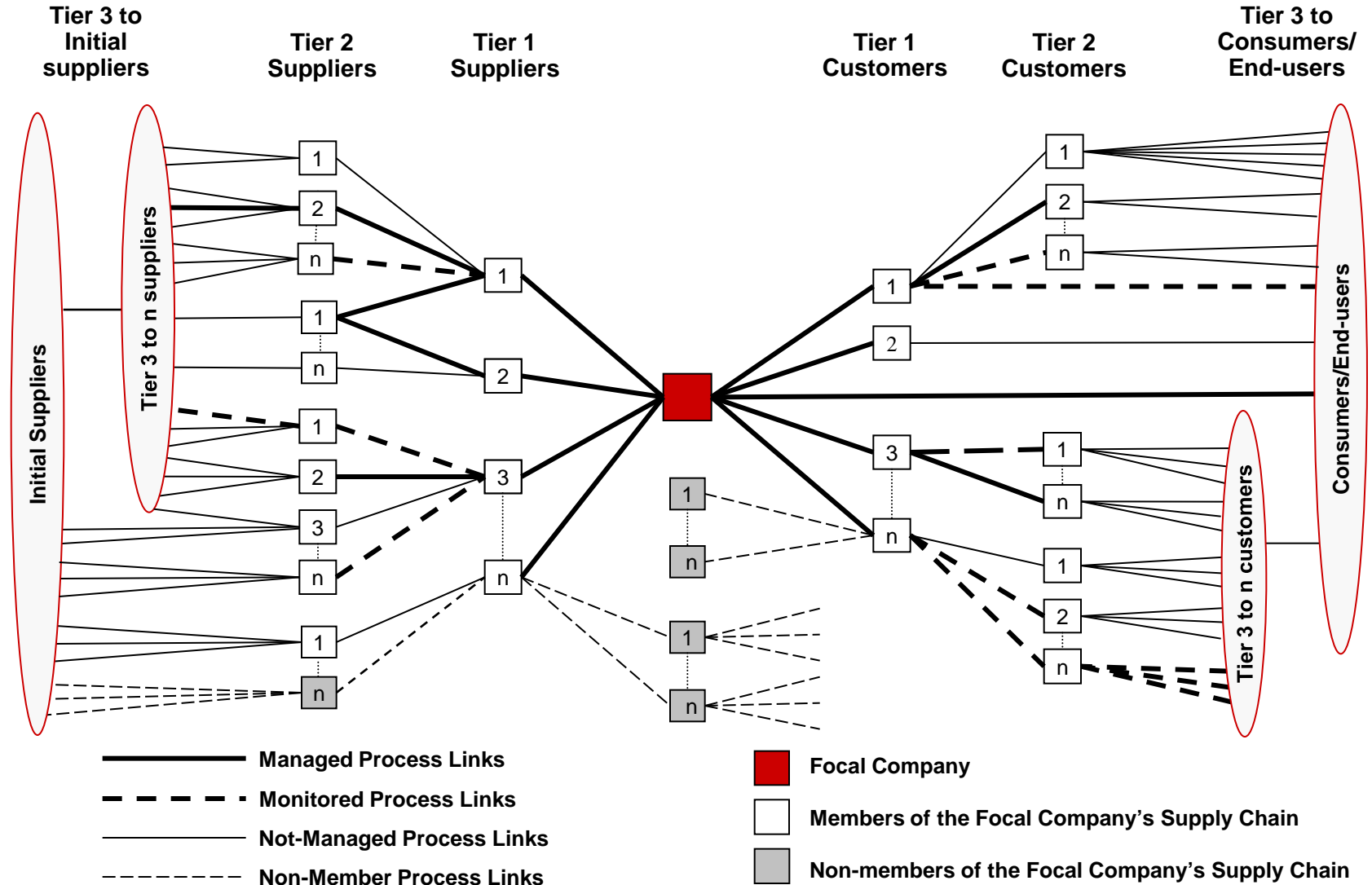
FISHER

COLLEGE OF BUSINESS

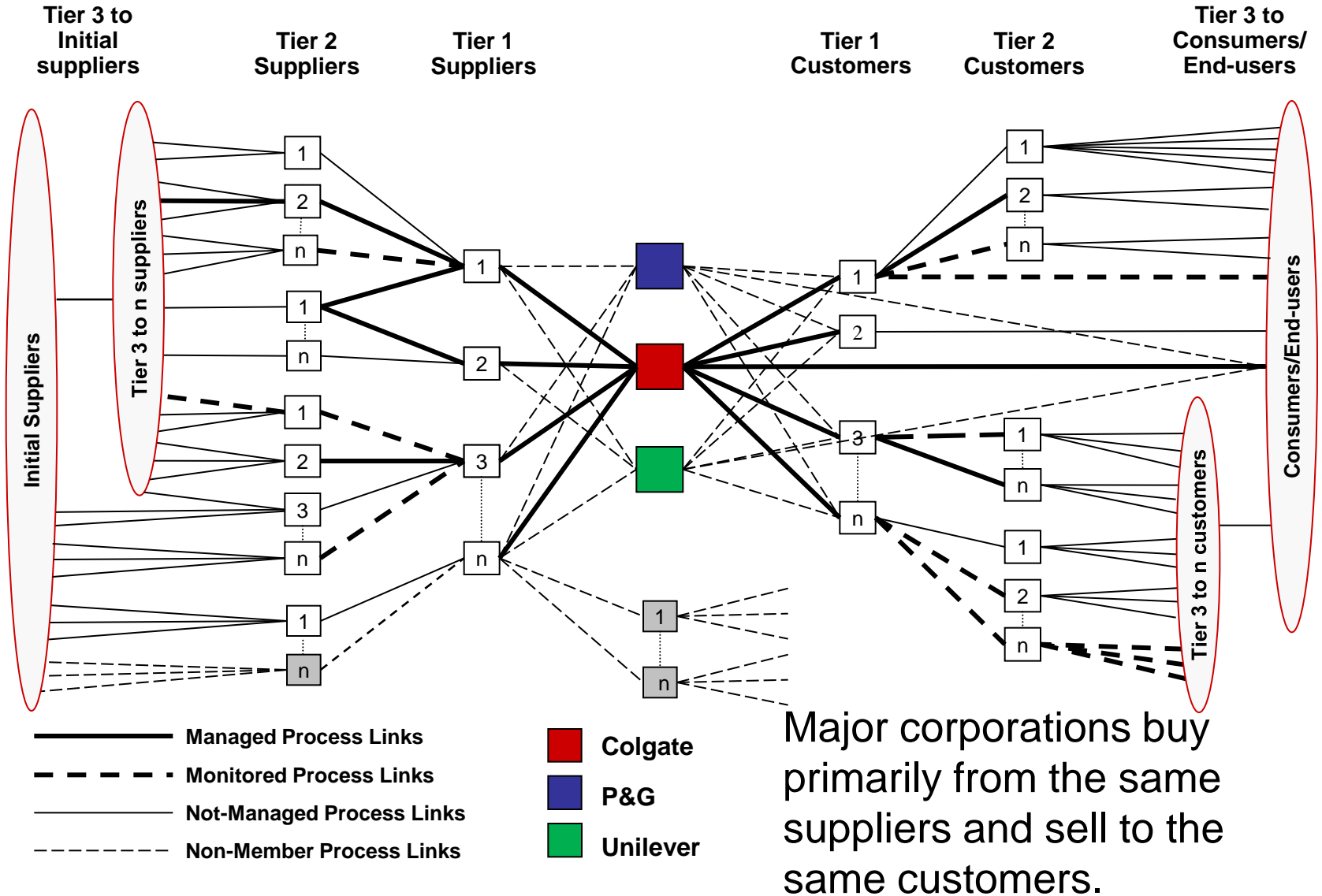
What is a Supply Chain?

***What is Supply Chain
Management?***

Types of Inter-company Business Process Links in the Supply Chain

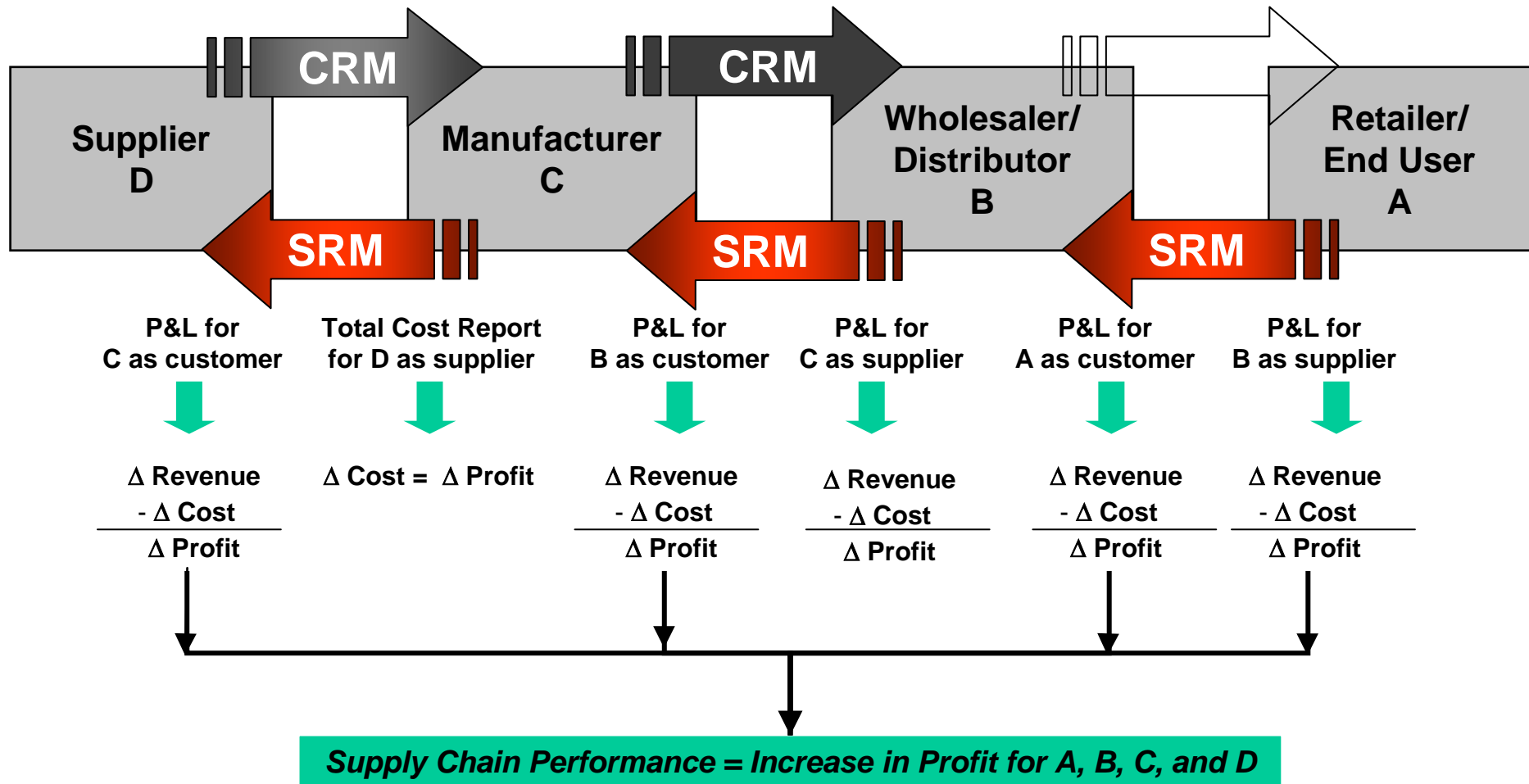


Typically Competitors Buy from the Same Suppliers and Sell to the Same Customers



***Consequently,
Supply Chain Management
Is All About
Relationship Management.
If Colgate Manages Relationships
with Key Customers and Suppliers
Better Than P&G and Unilever,
Colgate Will Win More Often.***

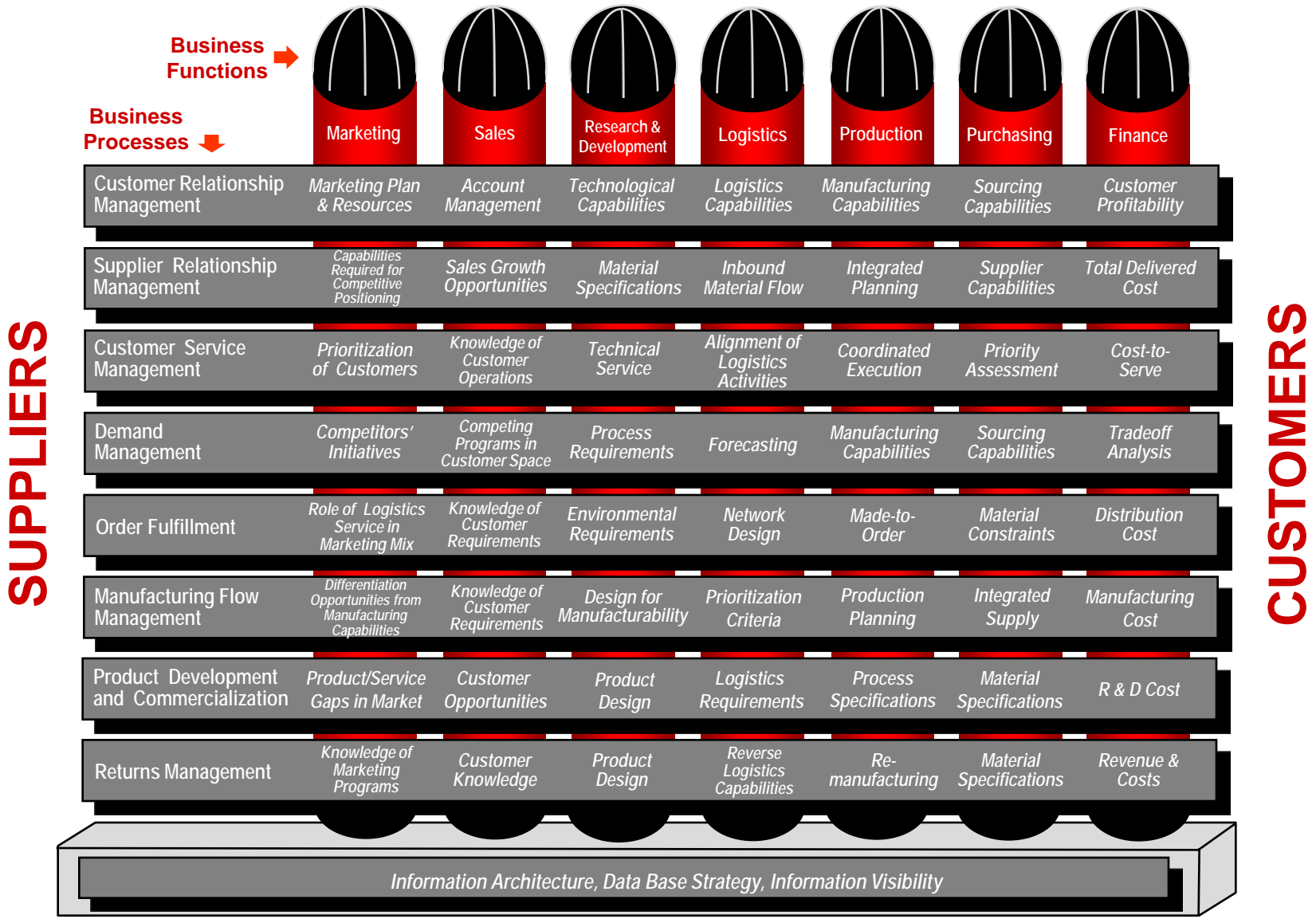
Customer Relationship Management (CRM) & Supplier Relationship Management (SRM): The Critical Supply Chain Management Linkages



CRM and SRM Form the Links in the Supply Chain



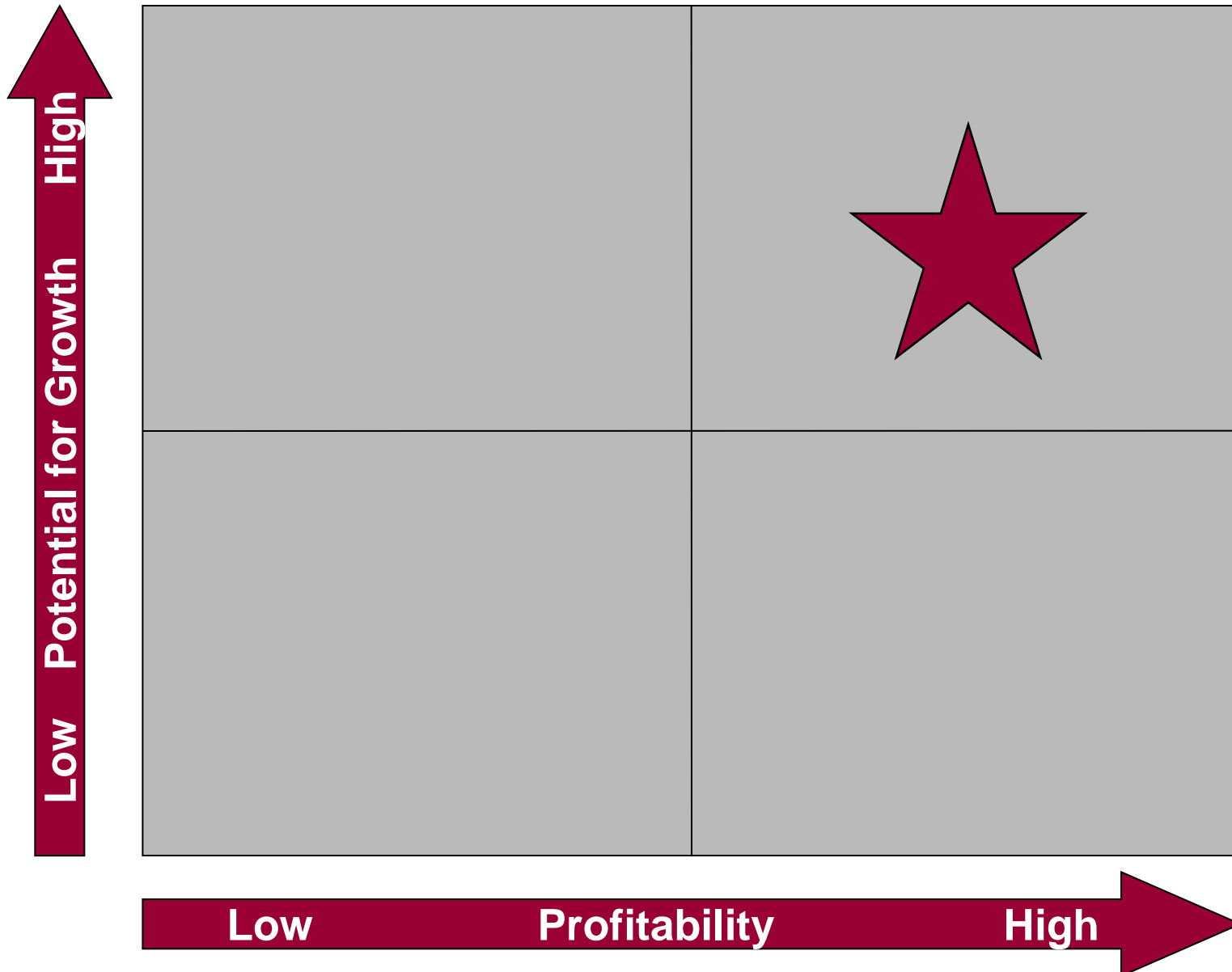
Functional Involvement in the Supply Chain Management Processes



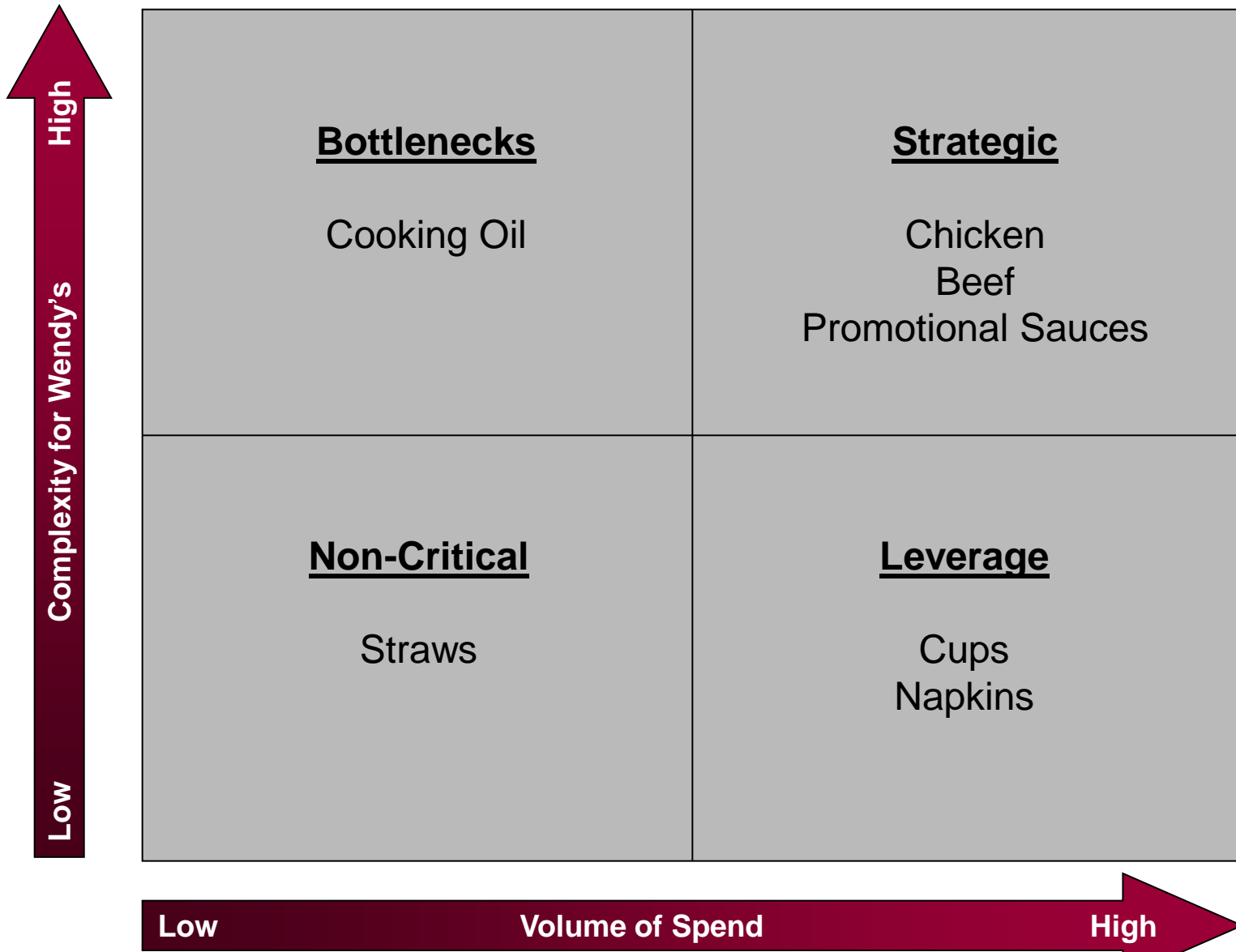
Note: Process sponsorship and ownership must be established to drive the attainment of the supply chain vision and eliminate the functional barriers that artificially separate the process flows.

Source: Douglas M. Lambert, Editor, *Supply Chain Management: Processes, Partnerships, Performance*, Third Edition, Sarasota, FL: Supply Chain Management Institute, 2008, p. 8.

Segmenting Customers

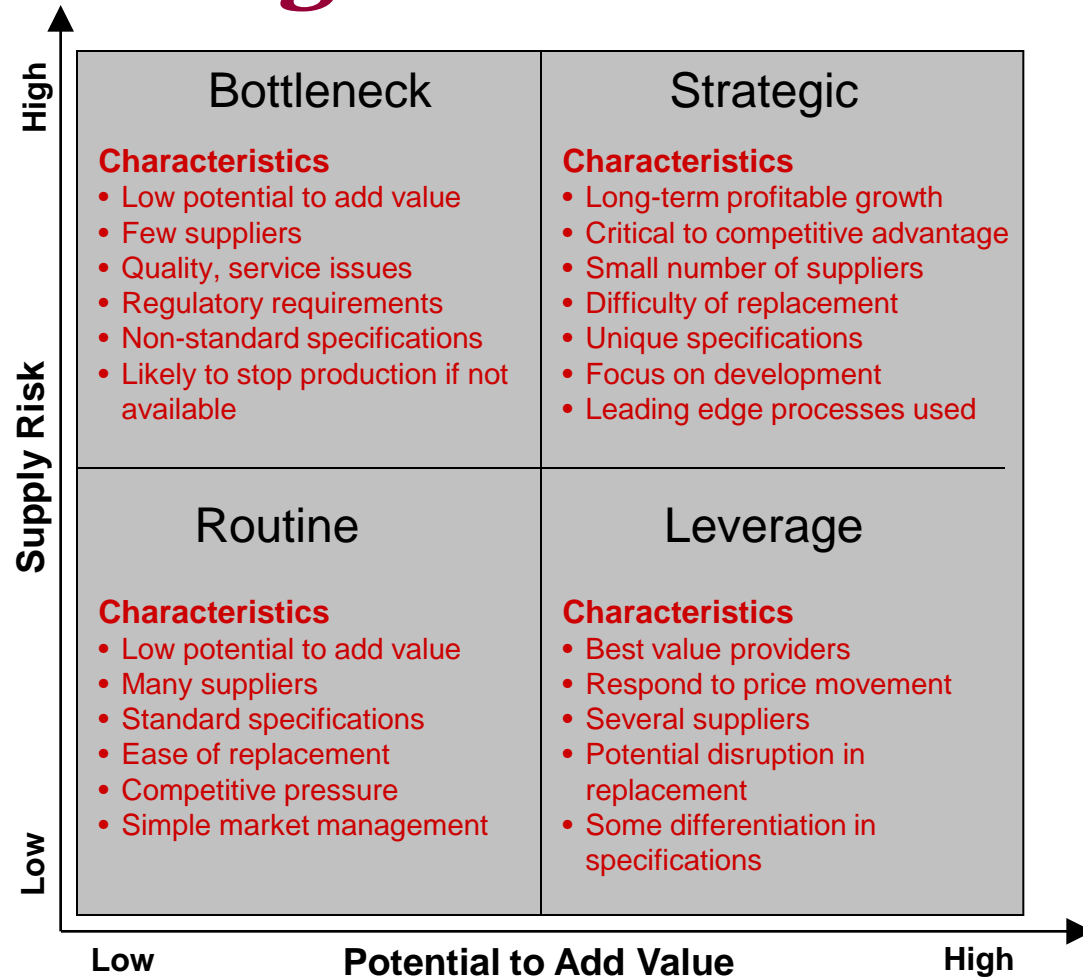


Comparing Suppliers on Complexity and Volume



Supplier Segmentation Matrix

- Factors to consider:**
- Product
 - Service
 - Quality
 - Continuity
 - Capacity
 - Complexity of specifications
 - Social responsibility
 - Supplier's relationship with competitors
 - Financial stability
 - Industry dynamics
 - Environmental issues
 - Availability of suitable suppliers
 - Supplier also a customer

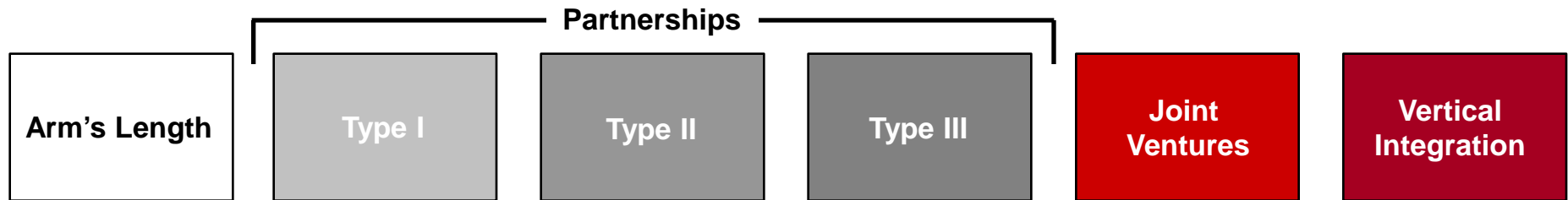


- Factors to consider:**
- Innovation and technology
 - Intellectual property
 - Supply chain process integration
 - Minority/women-owned business
 - Global presence
 - Competitive pricing
 - Cost management
 - Volume/spend
 - Compatibility / strategic alignment
 - Access to assets and capabilities
 - Impact to cost, quality, delivery, profitability
 - Our attractiveness as a customer

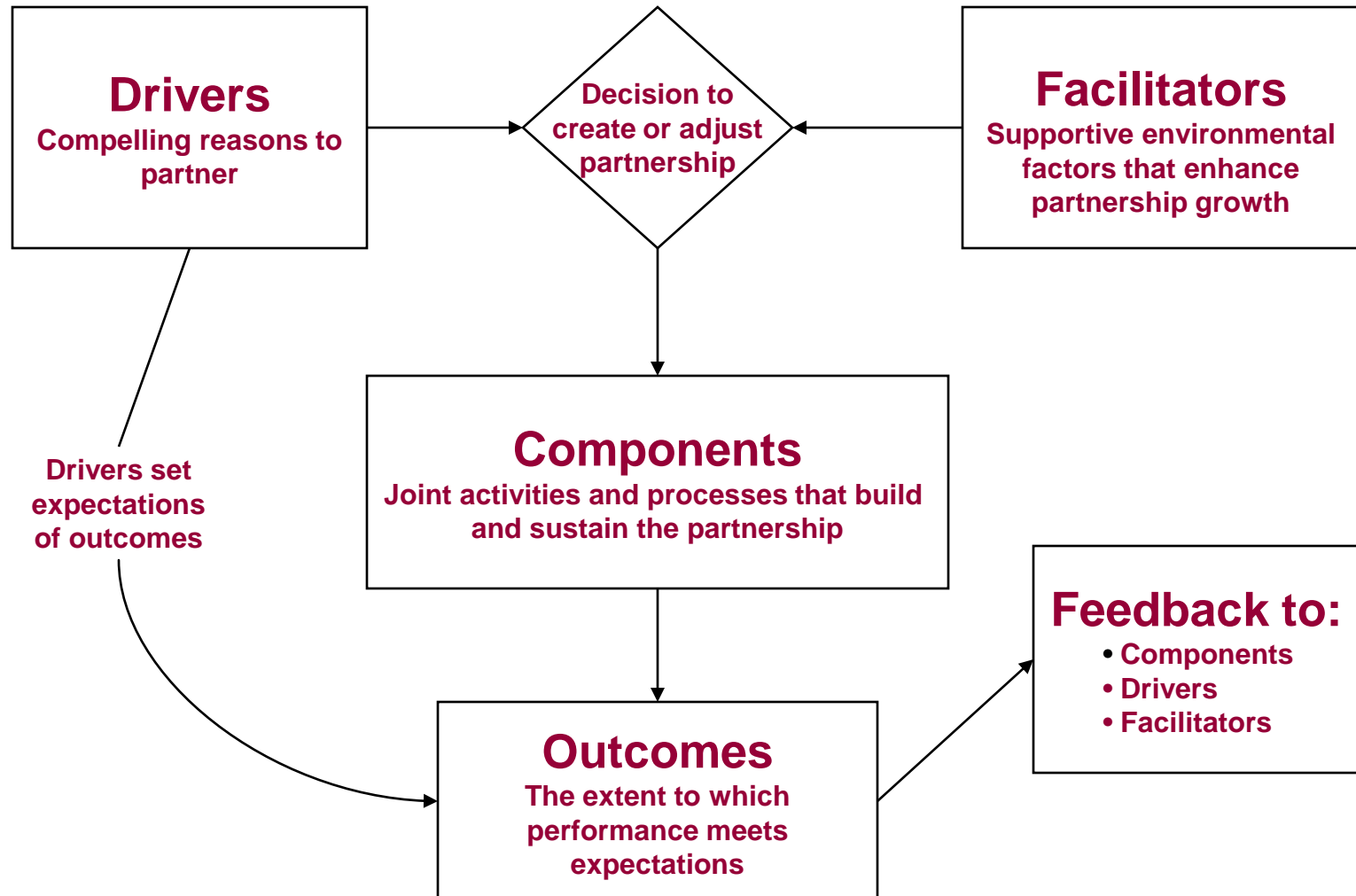
Partnership - Definition

A partnership is a *tailored* business relationship based on mutual trust, openness, shared risk and shared rewards that results in business performance greater than would be achieved by two firms working together in the absence of partnership.

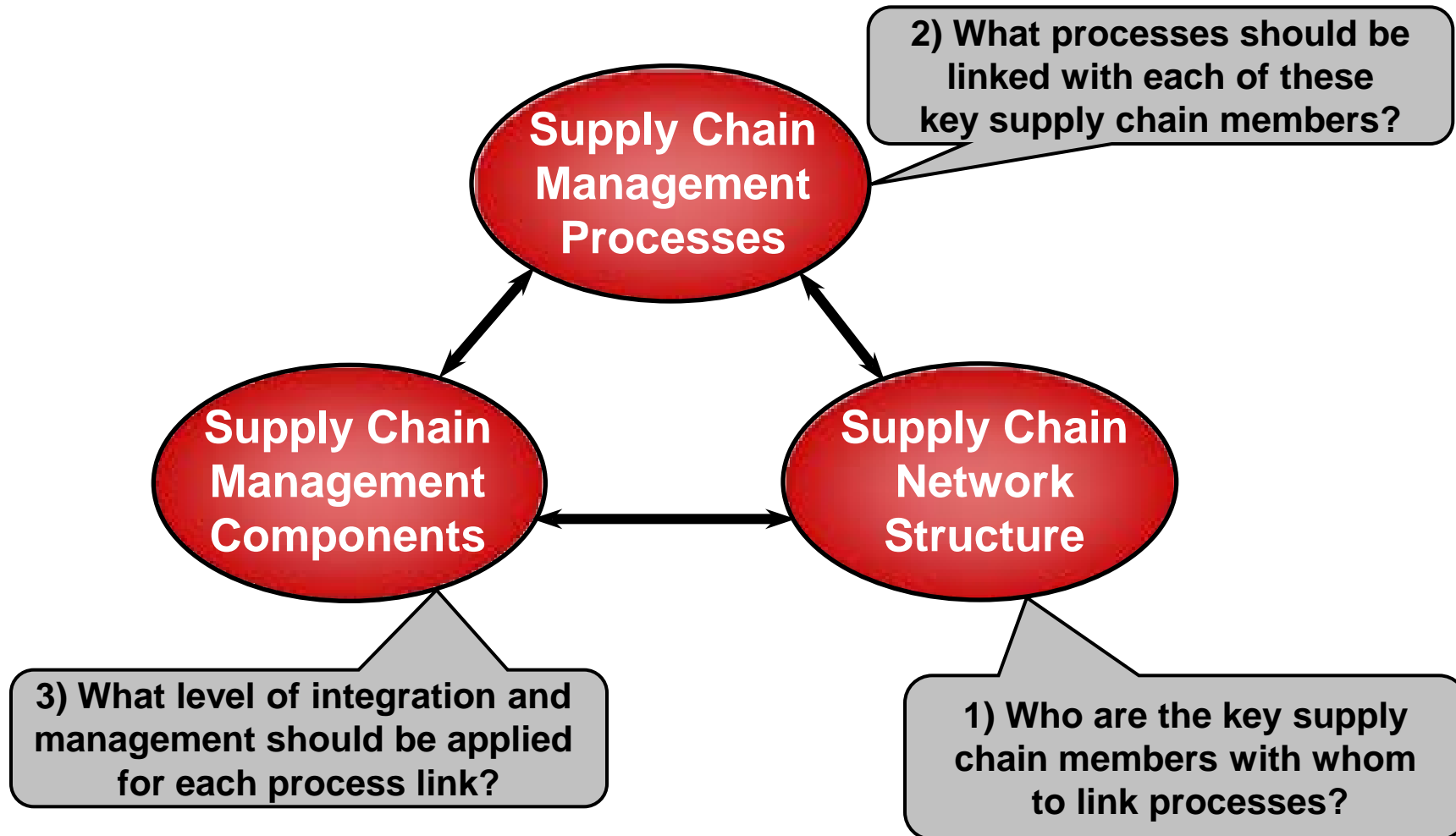
Types of Relationships



The Partnership Model



Supply Chain Management: Elements and Key Decisions



QUESTIONS?

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Supply Chain Relationship – Buyer Perspective

Peter S. Maruszewski

Location:
BioOhio Webinar

January 7, 2011

Experience – Common Thread

- **Experience**
 - Buyer
 - Financial Controller
 - VP Operations
 - Supply Chain Management
- **Common Thread**
 - Building of Relationships
 - Consider both sides of the relationship
- **Partnership requires Relationships**

Buyer Transformation

Changes

- Style
- Negotiation Goal
- Depth of Responsibility
- Suppliers
- Speed to Change
- Regulatory

Historical

- Hard Negotiator
- Price
- Single Tier

- Many
- Quick

- Control

Current

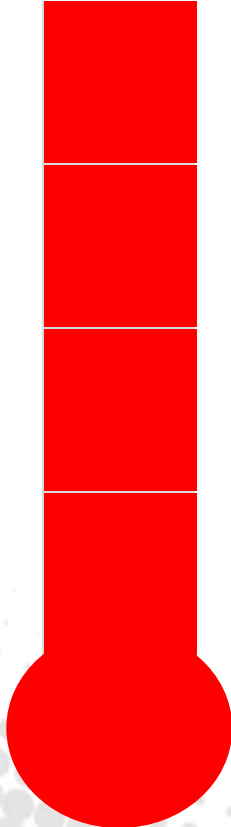
- Collaborator
- Cost/Profitability
- Multi Tier

- Limited
- Slow

- Risk Management

Supply Chain (Buyer) Responsibility for Partnership

Partnership



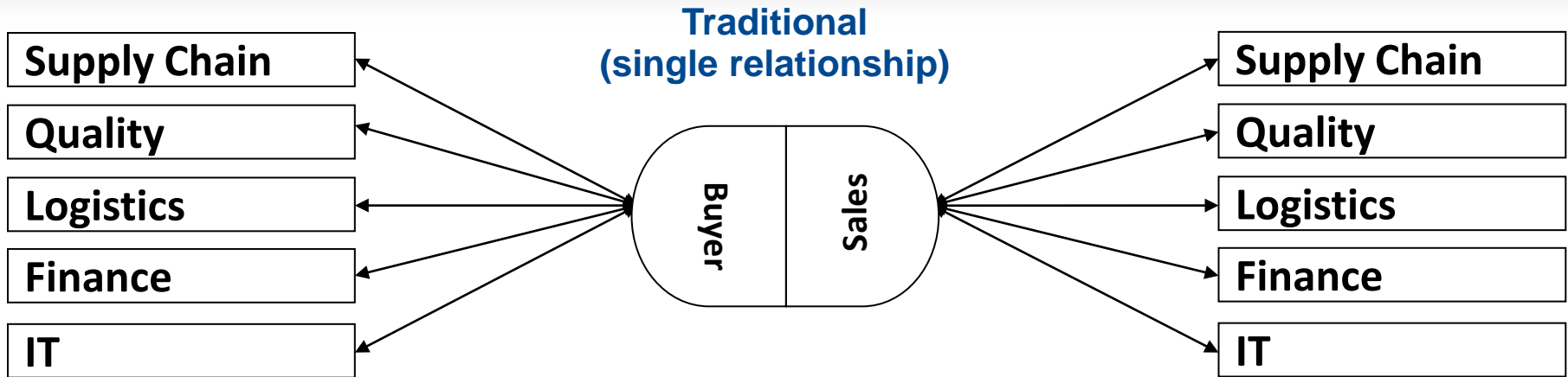
**Facilitate the overall Collaborative Team (vested interest)
develop continuous improvement opportunities**

**Create Collaborative Team at Supplier
with defined expectations**

Identify Suppliers that Warrant a Partnership

**Create Internal Collaborative Team
with defined expectations**

Change in Communication Channels for a Partnership



Signs of a Good Partnership

- Both sides use ~~Win Win mentality~~ Respect
- A signed contract is never referenced until time to renew
- “Joint” metrics are developed
- Quarterly Reviews focus continuous improvement
- Annual Reviews focus on relationship
- Relationships exist at Tactical level and Strategic level.

Foundation of a True Partnership

~~“You don’t understand
my position!”~~

- **A true partnership is achieved when both sides of the relationship are honest and they understand and buy into the others objectives.**

And if both sides don't; you are not in partnership mode
you need to be in risk management mode.

Questions?

Peter.Maruszewski@eurand.com

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Biomedical Supply Chain Strategies

Friday, January 7, 2011



- Intro to Libra Industries: Our Role as a Supplier
- Medical Device Development: Supply Chain Issues
- How to Leverage your Supply Chain for the best results
- Question & Answers



Roy Starks

Regional Sales Manager

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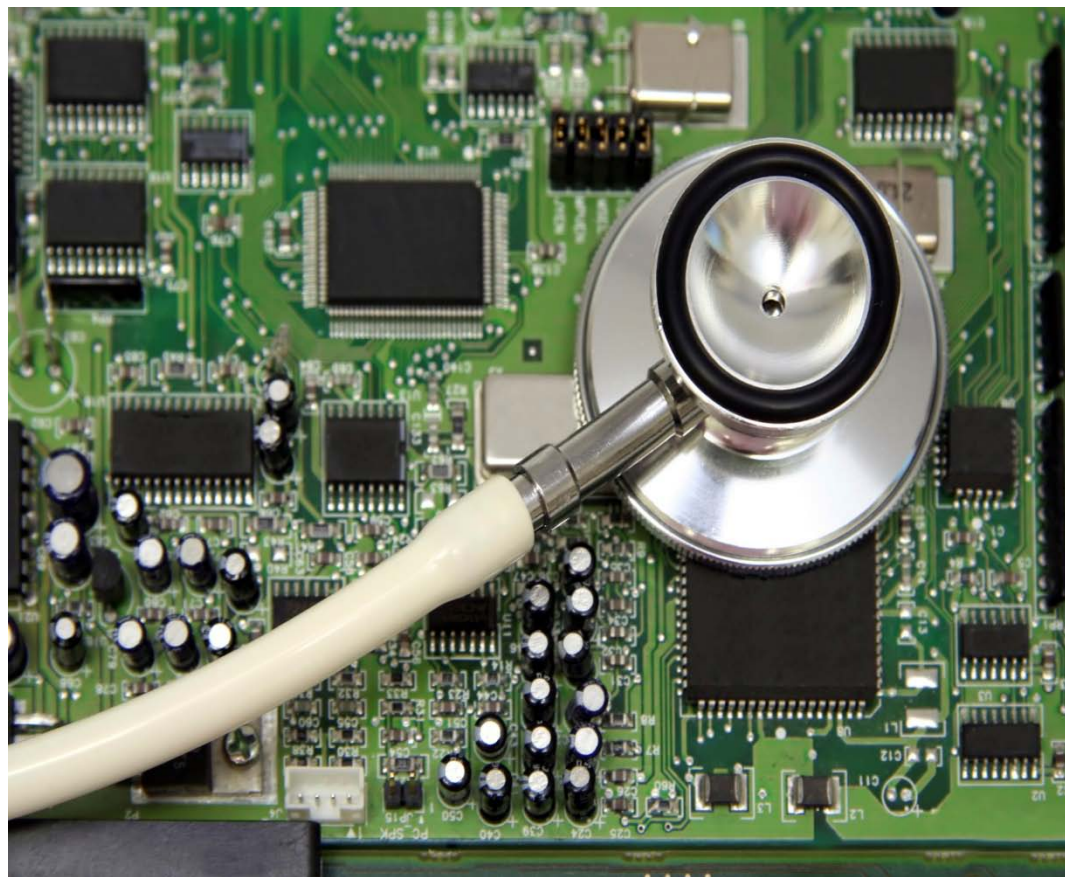


LIBRA INDUSTRIES

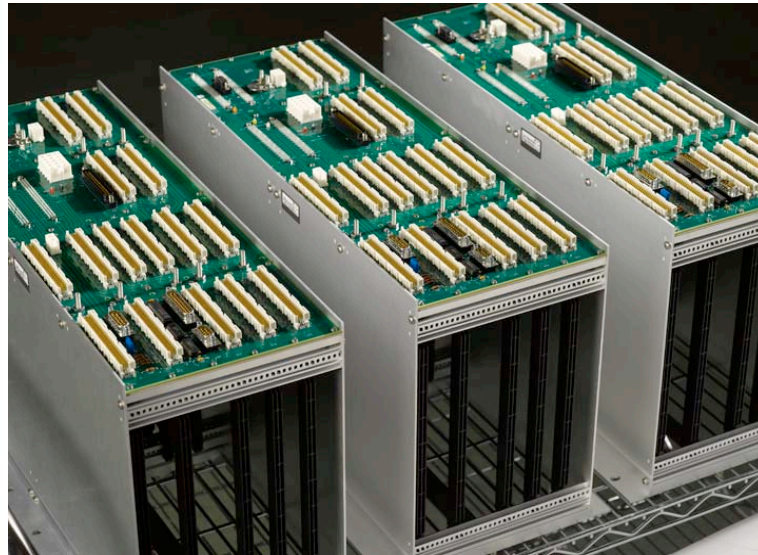
MANAGING YOUR PRODUCTS
FROM IDEATION TO REALIZATION®



Providing customized manufacturing solutions
to help make you more competitive and profitable.



Medical Device Manufacturing



Managing Your Products
from Ideation to Realization®

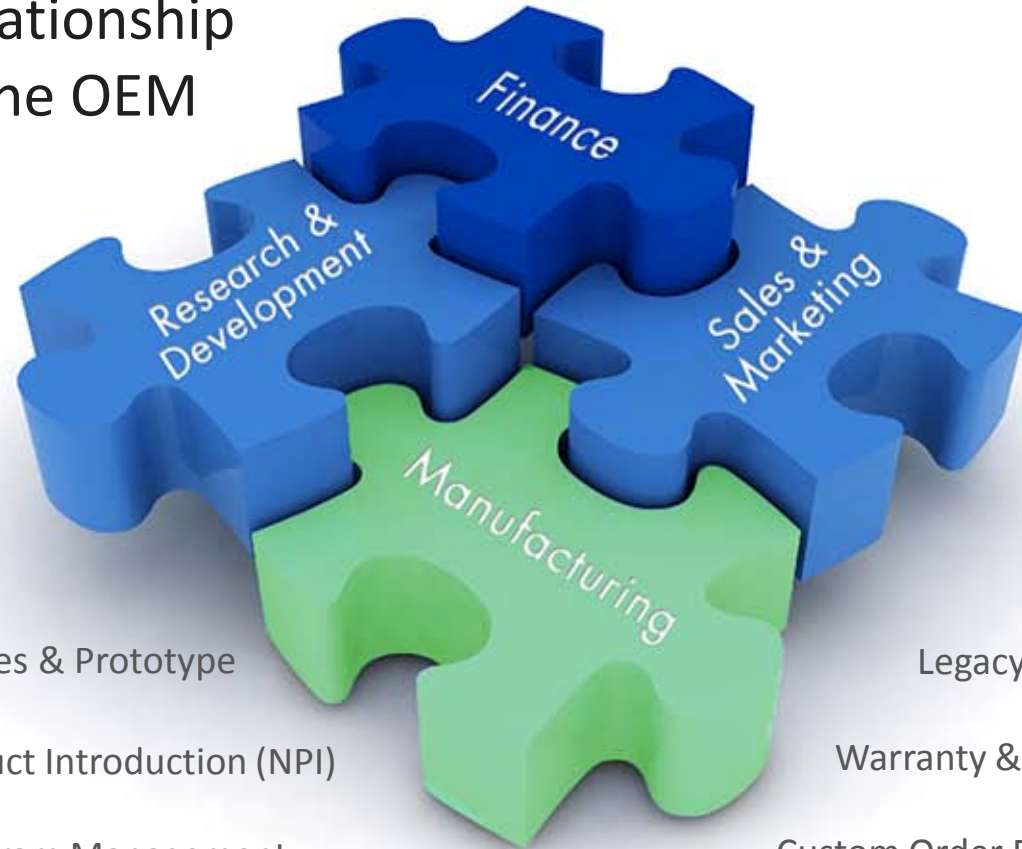
Our Role as a Supplier ...



Provide customized manufacturing solutions
to help make OEMs more competitive and profitable.



Our Relationship with the OEM



Design Services & Prototype

Legacy Product Support

New Product Introduction (NPI)

Warranty & Repair Services

Program Management

Custom Order Fulfillment

Supply Chain Management

Box Build / System Integration

Low to High Volume Production





Medical Device Development - Supply Chain Issues:

- Long Design to Production Release Cycles
- Innovative New Technology
- Frequent Design Changes
- Proactive Cost Containment
- Enhanced Risk Management



Long Design to Production Release Cycles:

- Need for Quick Turn Prototypes
- “Will it work” focus, vs. “Can it be Manufactured”
- Best Time for Production Feedback

➤ **Involve the Production Supplier Early at the Prototype Phase**



Innovative New Technology:

- Innovative Function, Power LED, Increased Features
 - Innovative Processes, Custom fixtures, Special Tooling
 - Innovative Packaging, Flex Circuits, High Density Connectors, High res Displays, Touch panels, etc
- **The Production Supplier may have experience with a technology that is innovative for your company**



Frequent Design Changes:

- Quick Change Management , Prototype
- Formal ECO Change Management, NPI & Production
- Form, Fit, Function, Effectivity, Cost, Traceability

➤ **Keep your Supplier & Development Team in Close Communication**



Proactive Cost Containment:

- DFM (Design For Manufacturability)
 - Mistake Proof Assembly
 - Alternate Component Sources
 - DFT (Design For Test)
 - Custom Order Fulfillment Plan
- **Ask the Production Supplier to Provide these items**



Enhanced Risk Management:

- Component Life Cycle Analysis
 - PFMEA (Process Failure Mode Effect Analysis)
 - Alternate Component Approval Process
 - Component Lead Times
 - Custom Safety Stock or Critical Component Plan
 - 100% Functional Test
- **Involve the Production Supplier for Longer Product Life**



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Resources

- Ohio Bioscience Resource Directory
 - www.bioohio.com/directory
- 2nd Annual BioOhio Suppliers Expo
 - April 28 in Columbus
 - Email jgoldsberry@bioohio.com for more info
- Fisher College of Business at The Ohio State University
 - <http://fisher.osu.edu/centers/scm/>
- APICS: The Association for Operations Management
 - www.apics.org



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