

# Healthcare Supply Chain Journey

Healthcare supply chains manage the flow of health-care commodities and services from suppliers to end users, when and where they need them. It requires critical functions such as planning, sourcing, buying, receiving, payment, and program management. The traditional approach of these processes has fallen short and has developed an urgency to be resilient in wake of the recent disruptions and pressures.

## 1 Planning

- Physician Engagement
- Demand Forecasting
- Event Resiliency

## 2 Sourcing

- Clinical/User Approval
- Supplier Management
- Contracting

In a hospital setting  
**1.8%**  
Average operating margin

**23%**  
Non-labor expense increase since 2020

Source: [kaufmanhall.com/insights/research-report/national-hospital-flash-report-june-2023](https://www.kaufmanhall.com/insights/research-report/national-hospital-flash-report-june-2023)

## 3 Purchasing

- Requisition
- Order Processing
- Catalog Management

## 4 Receiving

- Warehouse Management
- Logistics
- Receipt Management

### Vulnerabilities in Supply Chain

**67%**  
Data issues

**58%**  
Strategic Sourcing

**56%**  
Inventory Shortages

**46%**  
Cost Increases

**42%**  
Demand Forecasting

Source: [Deloitte Analysis](https://www.deloitte.com/insights/industry/healthcare)

## 5 Payment

- Invoice Intake
- Three-way Match
- Payments

## 6 Payment

- Asset Management
- Maintenance, Repair, Operations
- Recall Management

### Common Supply Chain Challenge

- Inaccurate inventory data
- Delayed supply allocation
- Poor data transparency
- Lack of integration
- Poor workflow design

# Optimizing Supply Chain Management



## Analytics

- Enhanced reporting and decision making with **Data Warehousing**
- Identify and mitigate vendor and supply risks through accurate **Forecasting Models**
- Uncover opportunities for contracting and utilization with **Spend Visibility**



## Automation

- RPA tools** reduce manual errors and tasks
- Gain insights through **Natural Language Processing/Generative AI**
- Automation platforms** to track and manage supply and equipment inventory



## Unlocking Value

- Evaluate category **standardization opportunities** from unmanaged spend
- Develop a **Source-to-Pay strategy** to advance processes and technologies
- Reduce department silo's and working efficiency through improved **process flows and role definitions**