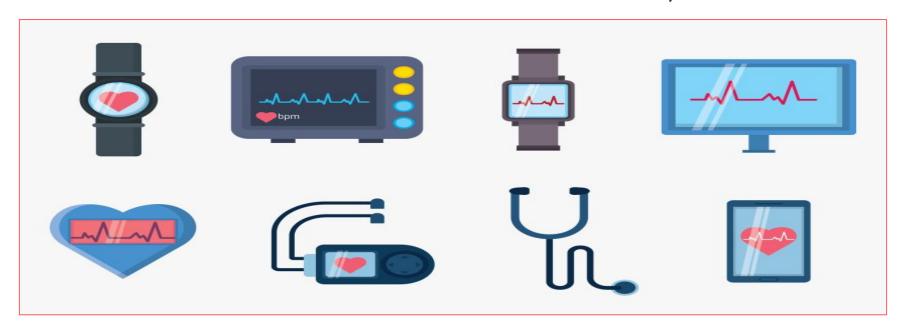
MTC SUPPLY CHAIN MANAGEMENT

Introduction

MTC - A Medical Device Manufacturer located in PA, USA.



Challenges

Faced by Medical Technologies Corporation:

New Affordable Care Act (ACA) Medical Device Excise tax of 2.3% on revenue

Impact

• 10% reduction in Net Profits

Areas of Improvement

- Inventory management
- Reducing Off-site sterilization
- Carrying of the surgical kits
- Smarter Kiosk systems can be installed

Logistics

- Sterilisation process in-house.
- Increment of the number of warehouses
- 3PLs need to be monitored closely
- Less involvement of 3PL in daily process
- The device flow after the products are sterilised should be reduced
- Design the warehouses based on major customers

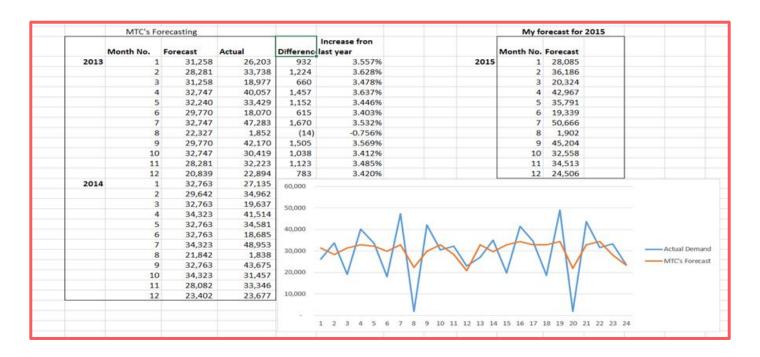
Operations

- Reducing the "Trunk Stock"
- Installing "smart kiosks" for holding the surgical kits
- Cutting down the commission of the salesperson
- Maintaining the lean inventory

SOURCING

- MTC should act as Strategic Supplier
- Maintaining Long Term Relations
- Sell more surgical kits at less price and more quantity
- Assuring the hospitals about in-house sterilisation unit

Forecasting Plan



Risks

- On-site sterilization
 - May lead to inferior quality of kits
 - High initial costs
 - Can be difficult to manage administratively
- Incorrect forecasting may increase costs and inventory levels

Risk Mitigation and Contingencies

- Detailed planning, Infrastructure and Personnel Development
- Regular Audits
- Periodic Self Assessment
- Monitorization of the model by demand-forecast curve
- Different forecasting models with variations

Thank You