

Sourcing Solutions

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How would you position MTC to be viewed as a strategic supplier for the major hospital groups? Provide us with a general overview of how you believe that key strategic suppliers should act.

They must have delivered the right product At the right time With the correct specification with the right money correct shipping method. MTC should manage their relationships by liaising closely with the major hospital groups. Regular meetings should be held with them at every level of management including ground level with individuals that actually do the work. Surgeons have an important position in the medical device supply chain because they are powerful decision-makers in the supply chain. If a doctor believes that a certain surgical device or kit should be used, they can make the case to the hospital administration to purchase it for their surgical cases regardless of whether or not the SKU is on the GPO contract. That is why the sales representatives are seen as adding value, while they maintain the relationships with the surgeons.

What are typical activities that hospitals might look for in a strategic partner?

In other words, put yourself in the position of MTCs customer.

1. Sign a contract for fulfilling the inventory demands with 7Rs
2. Inventory centralized software for automatic Purchase order generation.
3. Keep the Surgeons updated and trained through in-house training
4. Keep cost as low as possible
5. In house sterilization

What are initiatives that MTC might consider working on with hospitals that are strategic partners? Name your top three.

Fast delivery MTC should manage relationships and performance through regimes and systems which are essential to secure value for money and reduce risk by:

1. Encouraging effective relationship management for complex and costly bundles of goods and services.

2. Understanding correctly their needs and agree to performance management criteria and interfaces.
3. Maintaining regular communication with them to ensure innovation and continuous service level improvements.

What should MTC do about their off-site sterilization? Perform a make-versus-buy analysis. Be sure to include the top three reasons for keeping the sterilization off-site as well as the top three reasons to bring it in-house. Justify your judgement for either option.

For sterilization, I would favour in-house sterilization and my justifications are as follow 1. It would lead to lowering the lead time ($48+24 = 72$ hours) hence reducing inventory. 2. It would reduce the cost by i. reducing the lead time the cost affiliate would be reduced (as 72 hours lead time means inventory is in many stages of handling hence increasing cost) ii. Reduce Inventory cost 3. It would lead to avoiding transportation (Hospital to off-site sterilization - MTC facility - Hospital)