
Searching the Globe for Low-Cost Supplies



Supplies come second only to labour as amongst the highest healthcare costs

With a view to reducing materials costs while maintaining quality, global sourcing of supplies is fast becoming an attractive alternative.

High volume supplies such as clinical gloves or gowns are top priorities for global sourcing which is becoming a key driver to boosting healthcare value.

Marc Prisament, director of product development and global sourcing at the Manhattan-based NewYork-Presbyterian health system says global sourcing provides another option to supply chain management.

"It's a great extra tool. It shows significant savings on a percentage basis, and it shows dollar savings," Prisament says in an interview with [Health Leaders](#).

Since 2013, New York-Presbyterian's global sourcing programme has grown from 12 stock keeping units (SKUs) to in excess of 80, with an average cost savings of 25 percent to 30 percent, he says.

Sourcing further high-volume supplies such as plastic basins, slipper-socks and tourniquets from low-cost manufacturers around the world including China has translated into significant savings. The annual figure is an impressive \$1 million.

St. Louis-based Mercy Health has also been aggressively pursuing its global sourcing efforts for the past four years. Joshua Sandler, director of business development at Resource Optimisation & Innovation (ROI) incorporated into Mercy in 2002 says through global sourcing, ROI is projecting to save the facility \$2 million on high-volume supplies this year and \$4 million in 2017.

"We typically see no less than a 15% cost savings for any [SKU] category," he says.

Key Points for Global Sourcing Success

Go directly to the world marketplace for high quality at lowest cost.

Locate items that can be sourced readily without sacrificing quality

Don't dismiss high-volume, low-cost items. These can yield impressive savings.

Engage clinical end-users at the start of a sourcing change process. You need to bring in items that you can push out to clinical end-users.

Assess the cost of changing over to a new product rather than solely focusing on the manufacturer price. Take into account fees for handling and shipping.

Check all logistical considerations such as quality control and clearing through customs.

Work with a good trading partner with experience in international orders.

Source: [Health Leaders](#)

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