

Global Cardiology Manufacturer Uses MedTrac to Reduce Write-offs

A global cardiology manufacturer was expanding geographic coverage of its new product technology. Due to a short shelf life, the new product was at a great risk of write-offs. New regulatory requirements made it imperative to track to the lot level in many of these expansion markets. The company implemented MedTrac to help manage its consigned stocks across Asia gaining lot level visibility to meet regulatory requirements and improving inventory management resulting in lower write-off risk.

The Challenge

A cardiology manufacturer had recently launched new technology with a shorter shelf life than the product it was replacing. By the time the product was supplied into the Asian markets, it had roughly 4 months left until expiration. Since the product was consigned to the hospitals, the hospital had no incentive to manage the products. The manufacturer found it increasingly exposed to greater write-off risk.

At the same time, compliance to regulatory requirements was becoming more difficult. Regulatory bodies required lot tracking to the patient level. The manufacturer was not capturing this information with their current system, making them noncompliant and exposed to significant fines.

In most markets the sales rep is responsible for the management of the inventory at the hospital. They manage the stock levels, handle discrepancies, ensure product is not expired and take stock counts. While these activities are necessary, they are time consuming leaving the sales rep with less time to focus on selling. The sales reps wanted a solution that would allow them to capture the necessary information without increasing the time spent on supply chain activities.

Geographic Area

Asia Pacific

Challenge

Provide sales representatives with an improved process to manage hospital inventory with the ultimate goal of increasing sales and reducing write-offs.

Solution

The implementation of an inventory visibility solution via handheld technology with provides sales representatives real-time visibility to products at the hospital include lots available, lots used and expiration dates.

Results

- Improved billing of used product
- Increased understanding of product usage trends
- Optimized par levels based on usage information
- Reduced product write-offs
- Improved regulatory compliance
- Less time spent on resolving billing discrepancies

The Solution

The manufacturer implemented MedTrac within its sales organization. Each sales rep was given a handheld scanner running MedTrac Mobile to use in their stocks takes. The sales rep scans the products at the hospital, then synchronizes the mobile system with the manufacturer's ERP system providing information on unbilled product, excess product and detailed information of the product sitting on the shelf. The information can then be used in various customized reports to show near-to-expire product, unbilled, stock levels and available lot/serial numbers.

The sales reps found the solution easy to use and spent less time on supply chain functions and more time on selling.

The manufacturer initially implemented MedTrac as a pilot in one market. As the markets began to see benefits, they expanded to markets across Asia. They are now using MedTrac in seven countries and evaluating it as the regional standard.

The Results

Armed with visibility to information on their product, the manufacturer was able to improve its decision making in a number of areas and achieve regulatory compliance by knowing which lot number was used with which patient.

Key product information used by the manufacturer:

- **Transaction History** to ensure billing of used products, review trends to understand product usage and set more optimal par levels
- **Product Expiration** to make decisions on what to do with near expiry product: pull it from the hospital, move to different ward, move to another hospital, etc.
- **Lot Usage by Patient** to meet regulatory compliance requirements

“Manufacturers using MedTrac reduce write-offs and achieve improved financial performance.”



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