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Build a resilient supply chain to optimize your value chain

Disruptions in global supply chains have significantly increased over the last decade. Companies want to gain planning agility by conducting supply planning in near real-time. Transform your medical device manufacturing operations with solutions that**#FocusOnYou**

The Rich Opportunity for Medical Device Manufacturers

Today's world is powered by advanced artificial intelligence, from movie recommendations on our favorite streaming platforms to cars that alert us when there is someone in our blind spot, computers make humans more capable and informed. We find that digital technologies are disrupting almost every industry, today business models are being transformed to serve evolving global needs and shifting demands by connecting people, enabling cross-industry collaboration, and bringing holistic, end-to-end value to both product and service innovation. The landscape of medical device industry is also undergoing digital transformation which has prompted manufacturers to rethink their roles in healthcare system.

The digital technology transformation has brought the importance of a resilient **Supply Chain Management Services** to all industries, including MedTech. Medical device manufacturers are paying more attention to the resilience of their supply chain due to the impact of pandemic which has affected manufacturing operations, altered supply and demand predictability, and caused unexpected gaps with suppliers.
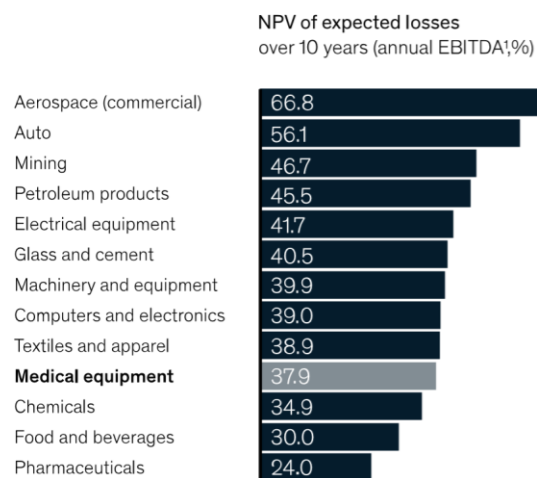
Supply Chain Shocks to the Industry

Although COVID-19 has significantly disrupted the medical device industry, it is not the only threat to the MedTech value chain. Supply chain shock is another threat to the industry which includes unforeseen occurrences (like global warming or natural disasters), macroeconomic and political circumstances (like changes in trade regulations or policy), malicious threats (like cybercrime and intellectual property theft), and counterparty problems (such as financially fragile suppliers).

Recent research from the McKinsey Global Institute (MGI) found that within a ten-year period, shocks could cause some MedTech companies to lose approximately 38 percent of one year's earnings.

Net present value (NPV) of expected losses over a 10-year period

Better ▭▭ Worse

NPV of expected losses over 10 years (annual EBITDA[1], %)

Industry	NPV of expected losses	Typical inventory on hand (days)	Cost of goods sold (revenue, %)
Aerospace (commercial)	66.8	60	78
Auto	56.1	43	76
Mining	46.7	15	78
Petroleum products	45.5	8	75
Electrical equipment	41.7	30	69
Glass and cement	40.5	11	66
Machinery and equipment	39.9	17	68
Computers and electronics	39.0	4	68
Textiles and apparel	38.9	22	39
Medical equipment	37.9	59	43
Chemicals	34.9	18	68
Food and beverages	30.0	11	49
Pharmaceuticals	24.0	75	29

[1]Earnings before interest, taxes, depreciation, and amortization

Source: McKinsey Global Institute analysis

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The Business need for a resilient supply chain

The semi conductor shortage has put the healthcare industry under tremendous pressure resulting in increased demand on the MedTech industry for its products. This increased demand has also highlighted certain vulnerabilities and challenges in their supply chain both in terms of infrastructure and performance.

Unlike other manufacturers, medical device manufacturers must manage a lot of bureaucracy to maintain regulatory compliance. Shortage of any single component is quite costly for a medical device organization as you cannot replace it with something similar component easily without obtaining regulatory validation. A slight defect results in rejections and product recalls, also cost these enterprises highly.

Now with these vulnerabilities exposed, it has become imperative to find ways in which to address them. This is where an ERP on prem or on cloud or hybrid can help.

Dyncamics 365 Supply Chain Management

End-to-end visibility throughout the supplychain

Production Information Magement	Planning	Inventory & Logistics	Manufacturing	Assest Management
Engineering Change Management	Demand Planning	Inventory Management	Discrete	Preventative Maintenance
Product Lifecycle Management	Materials Requirements Planning	Cost Management	Process	Predictive Maintenance
	Production Planning & Scheduling	Sales/Procurement	Lean	Maintenance Cost Management
	Supply/Distribution Planning	Warehouse Management	Mixed-mode	
		Transportation Management	Overall equipment effectiveness	

IOT Intelligence for SCM
Data from manufacturing execution system, asset management and warehouse management i.e., connected manufacturing, connect assets, connect warehouse

Supply Chain Analytics

Medical Device Supply Chain Challenges

- Ensuring Regulatory Compliance
- Quality Control
- Inept business processes
- Inventory Management & tracking
- Supply Chain Visibility

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Leverage tailor made ERP solutions for Medical Device Manufacturing

Track Regulatory Compliance

The medical device industry is driven by **Inventory Management and Tracking** strict rules, compliance requirements, and Track items by inventory dimensions, safety. Microsoft Dynamics ERP allows you including site, warehouse, pallet, location, to handle all your compliance requirements batch, and serial number. Take advantage of like identify products as regulated products, multiple inventory control systems and restricted products etc., maintain Safety inventory valuation methods. Lower data sheet for products and other tracking inventory costs and improve turn-over with provisions like products / parts by batch advanced inventory allocation.
number, lot number, or serial number. It also

provides various compliance reports as
standard feature

Procurement

Use a single application to collaborate with

Supply Chain Visibility

vendors across procurement processes such as purchase order management,

D365 SCM Solution Powered by AI and the
request for quotation (RFQ) bidding, and
Internet of Things (IoT), helps you streamline invoicing with secure portal access.
and connect multiple supply chain segments
Effectively track vendor performance, lead
like inventory, production, transportation, times, and quality with embedded
warehouse, and planning to improved
purchasing insights using built-in Power BI
product quality, visibility, and profitability of templates.
your supply chain management.

Production Planning   **Product Quality**

Minimize lead times, fulfil customer demand, Quality Control is a must for medical device and manage your resources to get greater manufacturers as their products need to efficiency from your discrete, process and meet the highest standards. An ERP helps to lean manufacturing operations. Use automate quality processes with integrated real-time data to track production progress, quality control capabilities and quickly get more accurate delivery dates and identify issues through real-time insights reduce costs. Execute multiple production and track issue resolution by using case strategies, including configure-to-

order, management and non-conformance assemble-to-order, make-to-stock, and reporting. make-to-order.

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Add Benefits of Dynamics 365 in SCM

Optimize manufacturing processes with AI

Improve production efficiency and reduce downtime – without requiring data scientists – using AI-powered automation.

Improve supply chain resilience and minimize disruption

Connect internal and external supply chain, partner, and market data to optimize your planning and inventory visibility.

Better forecasting and inventory planning

Use AI to automate and elevate fulfilment with rule-based orchestration.

Digitally enable your workforce with smart solutions

Empower your next-generation workforce, equipping them with the skills and tools to keep up with new complexities and speed of digital engagement.

Increase GxP compliance and responses

Good Practice regulations covering a wide range of processes utilized in the development, manufacturing, and distribution of regulated products ensure that products are safe to use and meet stringent quality standards during the production process. Use big data and smart analytics to help you meet regulatory scrutiny within processes and data integrity.

Build more predictability in your operations

Unify data across systems in your supply chain to predict customer demand and consistently deliver products on time with near real-time production planning.

Integrate for more agility

Discover and connect to sustainability data to measure against goals, reduce waste and enable intelligent insights to take more effective action.

Connect people, products, and processes

Gain better visibility into end-to-end supply chain status, and support productivity goals through increased automation for more complex products
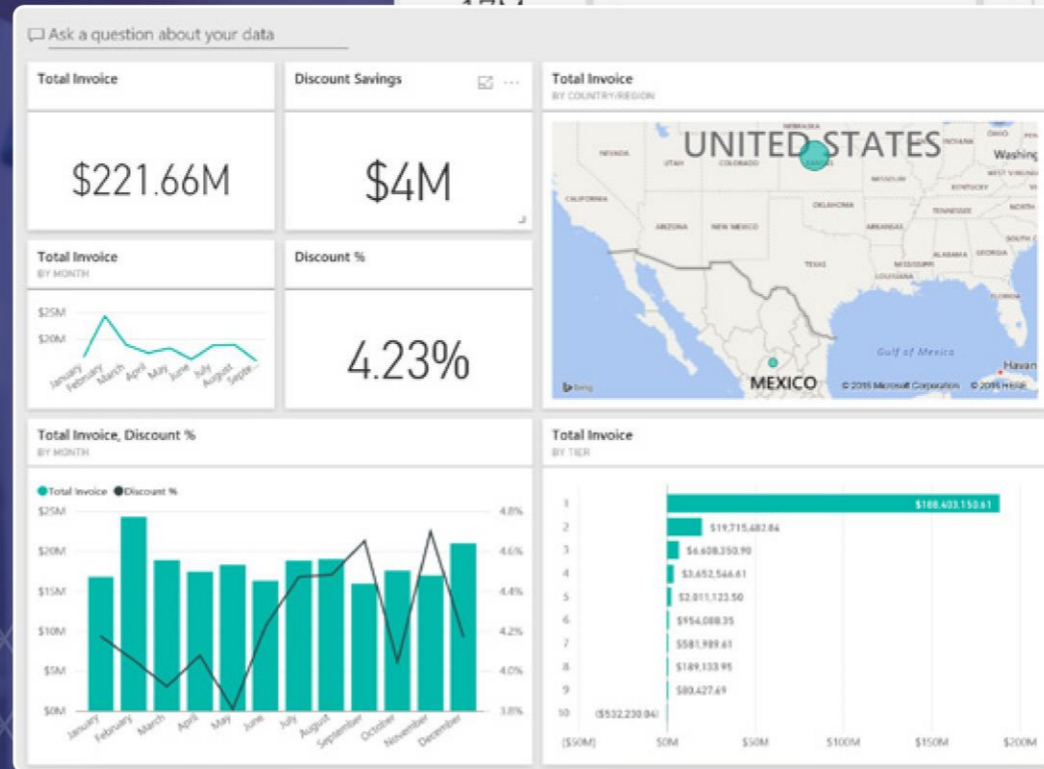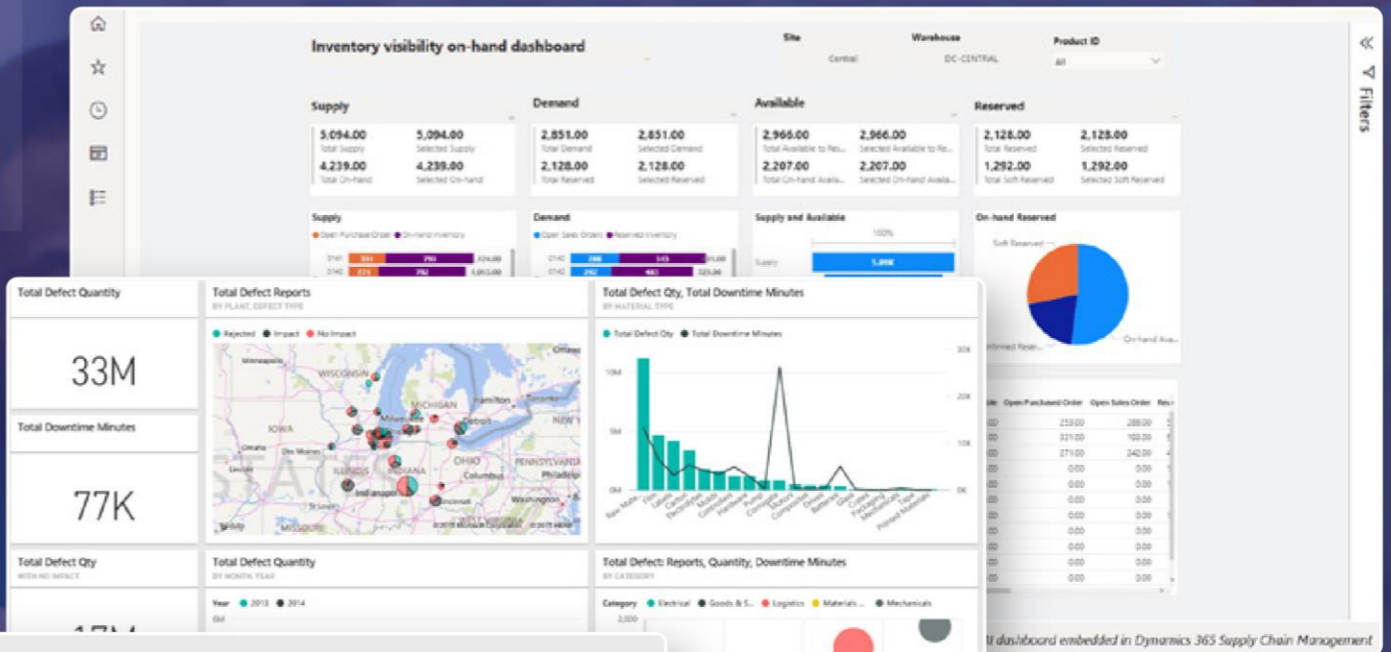
Source: Microsoft

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Gain 360-degree view of your Supply Chain Operations

1 Inventory Management

2 Quality Control Management

3 Procurement Analysis

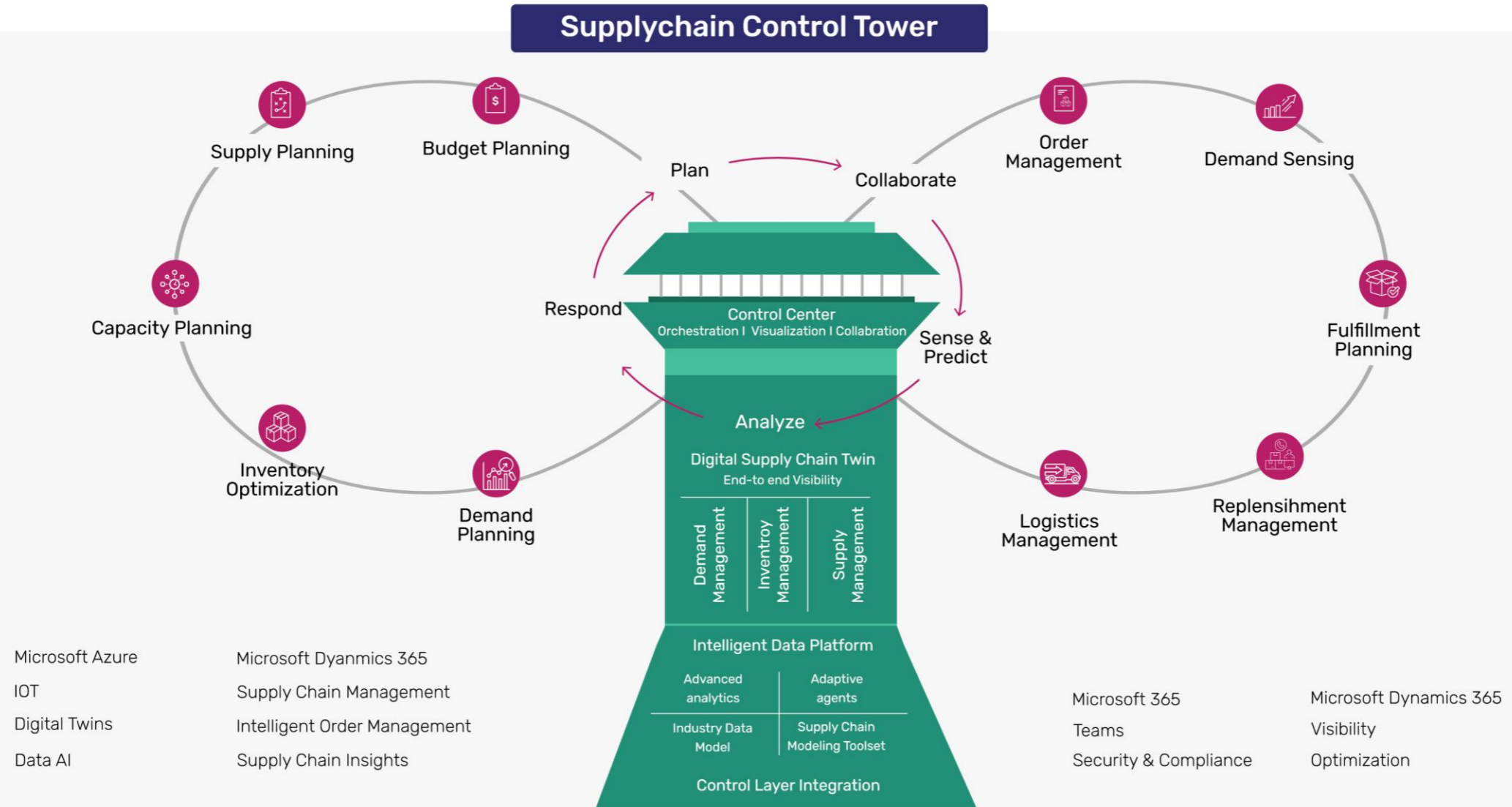# The Supply Chain Control Tower for Medical Device Manufacturers

One of the main advantages of ERP solutions is that it integrates well with other Cloud solutions, allowing you to keep a track of your entire supply chain all from one interface.

For example: Medical Device Manufactures can build a supply chain control tower using Dynamics 365 Supply Chain Management, Dynamics 365 Intelligent Order Management, Dynamics 365 Supply Chain Insights together with Microsoft Power Platform, and Microsoft's growing digital supply chain applications ecosystem, as seen below.

This allows medical device manufacturers to respond faster and more intelligently to disruptions and opportunities. Additionally, Dynamics 365 integrates seamlessly with many API-enabled applications, using Microsoft's out-of-the-box pre-built connectors for order intake sources, tax calculation, and third-party logistics partners' ecosystems. Moreover, it automates and optimises fulfilment using AI and real-time omnichannel inventory data.

Supplychain Control Tower

Supply Planning · Budget Planning · Plan → Collaborate · Order Management · Demand Sensing

Capacity Planning · Respond · Control Center — Orchestration | Visualization | Collaboration · Sense & Predict · Fulfillment Planning

Inventory Optimization · Demand Planning · Analyze

Digital Supply Chain Twin — End-to end Visibility

Demand Management | Inventroy Management | Supply Management

Logistics Management · Replensihment Management

Intelligent Data Platform

Advanced analytics | Adaptive agents

Industry Data Model | Supply Chain Modeling Toolset

Control Layer Integration

Microsoft Azure · Microsoft Dyanmics 365
IOT · Supply Chain Management
Digital Twins · Intelligent Order Management
Data AI · Supply Chain Insights

Microsoft 365 · Microsoft Dynamics 365
Teams · Visibility
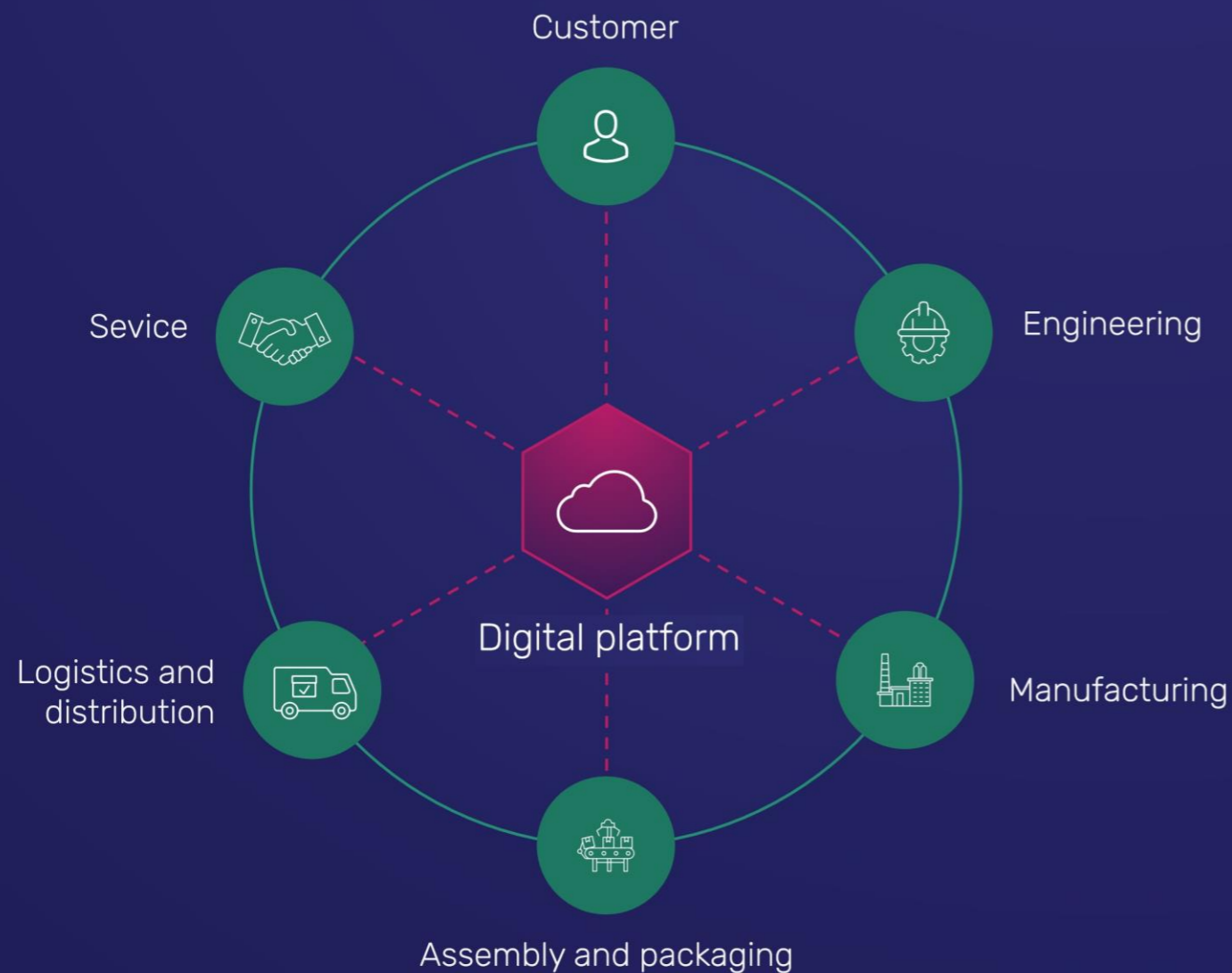Security & Compliance · Optimization

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By providing them with all these capabilities, the supply chain control tower enables companies to speed their order management digital transformation and turn the difficult task of order fulfilment into a competitive advantage.

Future of Supply Chain for MedTech Industry

Future supply chains will be circular, enabled by a core cloud based central platform that will integrate, orchestrate, and execute actions by working with each variable of the value chain. This creates a more holistic view of operations for enterprises, providing for new levels of agility, responsiveness, and risk mitigation.
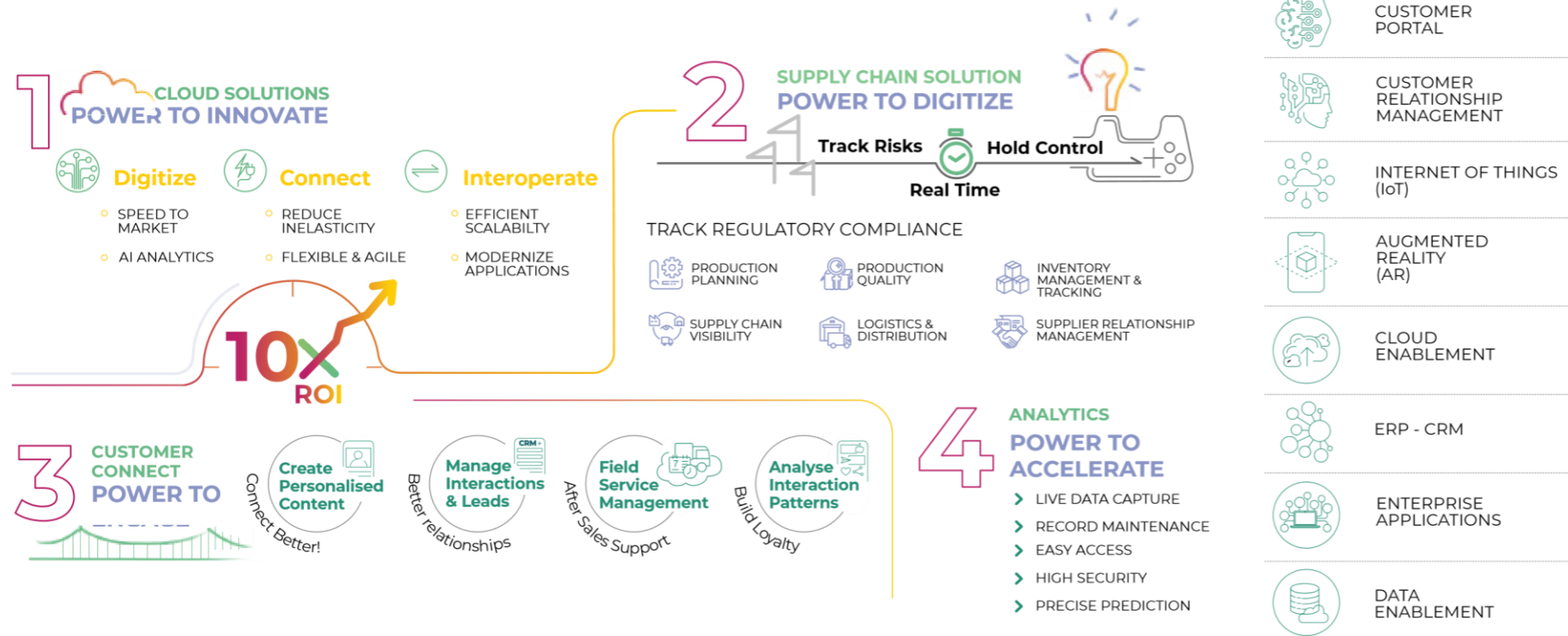
Ecosystem of MedTech Value chain:

Customer

Engineering

Sevice

Digital platform

Manufacturing

Logistics and distribution

Assembly and packaging

High service levels, cost optimized, and dynamically responsive

- **Orchestrated processes**

- **Connected**
  Leverage the cloud to connect, automate, visualize, E2E view

- **Predictive**
  Move from reactive to predictive with big data, machine Learning, and IOT

- **Cognitive**
  Amplify with algorithmic decision-making and automated execution

Korcomptenz Solutions for MedTech Companies

1

CLOUD SOLUTIONS
POWER TO INNOVATE

Digitize **Connect** **Interoperate**

- SPEED TO MARKET
- AI ANALYTICS
- REDUCE INELASTICITY
- FLEXIBLE & AGILE
- EFFICIENT SCALABILTY
- MODERNIZE APPLICATIONS

10X ROI

2

SUPPLY CHAIN SOLUTION
POWER TO DIGITIZE

Track Risks   Hold Control
Real Time

TRACK REGULATORY COMPLIANCE

- PRODUCTION PLANNING
- PRODUCTION QUALITY
- INVENTORY MANAGEMENT & TRACKING
- SUPPLY CHAIN VISIBILITY
- LOGISTICS & DISTRIBUTION
- SUPPLIER RELATIONSHIP MANAGEMENT

3

CUSTOMER CONNECT
POWER TO

- Create Personalised Content — Connect Better!
- Manage Interactions & Leads — Better relationships
- Field Service Management — After Sales Support
- Analyse Interaction Patterns — Build Loyalty

4

ANALYTICS
POWER TO ACCELERATE

- LIVE DATA CAPTURE
- RECORD MAINTENANCE
- EASY ACCESS
- HIGH SECURITY
- PRECISE PREDICTION

- CUSTOMER PORTAL
- CUSTOMER RELATIONSHIP MANAGEMENT
- INTERNET OF THINGS (IoT)
- AUGMENTED REALITY (AR)
- CLOUD ENABLEMENT
- ERP - CRM
- ENTERPRISE APPLICATIONS
- DATA ENABLEMENT

Other Resources for MedTech

Find out how to use advanced data and analytics capabilities to generate actionable insights

Learn how we help MedTech companies drive digital transformations to accelerate performance and enhance productivity.

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Discoverhowwe#FocusOnYouat
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