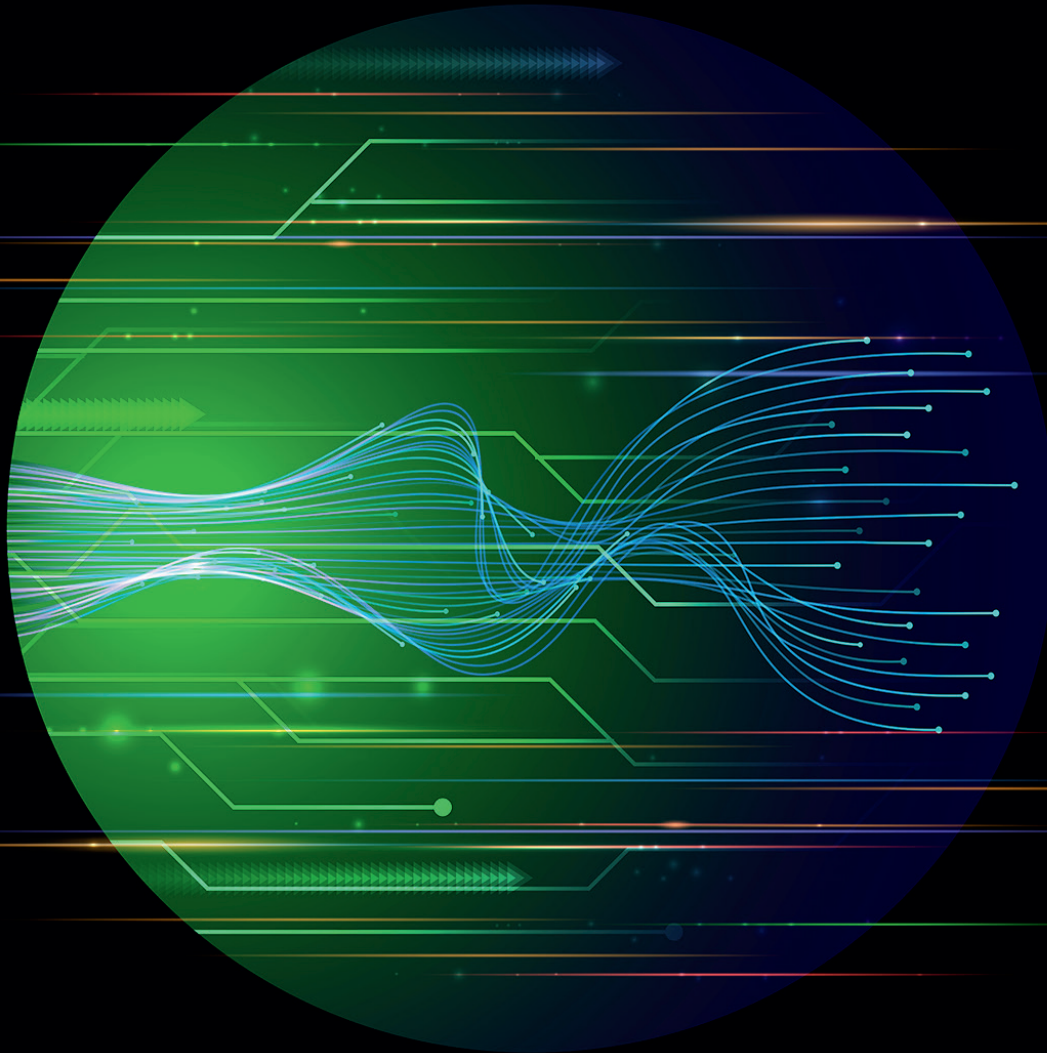


**Deloitte.**



Supplier risk  
mitigation program  
for health care

Early and deep visibility into potential supply  
chain disruptions with proactive decision support

There's no shortage of noise in the health care supplier ecosystem. But which of it is worth listening to? And do you have the right depth of visibility into your supply chain *to know what you didn't know you needed to know* so you're prepared to act and answer tough questions from executive stakeholders and the board?

Just about every day, there is likely something happening "out there"—whether related to geopolitics, acts of nature, health and safety, financial distress—that could have a direct impact on your organization's ability to maintain operations and deliver continuity of patient care. In that abundance of noise, it's likely that your current risk management program is unable to discern which risk signal is *most critical* to pay attention to, and the right mitigation decisions you need to make *today* to ensure availability of critical stock sourced from verified suppliers.

**Deloitte's subscription-based Supplier Risk Mitigation Program has your organization's back, helping you do good and look good when it counts.** Our proprietary data, AI algorithms, and human experience can help you discern the most material risks weeks and months in advance—down to the  $n^{\text{th}}$  tier of your supplier network—and help you make more confident decisions while building greater resiliency and efficiencies for the future.



**Don't settle for a flawed approach...**

**...when there's another way**

Manufacturer-provided supply data that you need to ask for

AI-enabled, automatic illumination of your entire supply network through Tier n suppliers (i.e., your suppliers' suppliers' suppliers), leveraging a proprietary data ecosystem

Over-abundance of risk alerts you need to filter through

Geographic-, supplier-, and trade route-specific risk alerts plus tailored briefings on significant events, provided with context by health care and supply chain experts

Acting on "insights" in a bubble, on your own

Collaborate with other health care providers on mitigation strategies to identify synergies

Scrambling to procure safety stock or find different suppliers who may or may not be legitimate

Build resiliency into your supplier strategy and maintain leverage in sourcing/procurement negotiations, while upholding quality standards

Upset clinicians, executive stakeholders, and board members

Provide clinicians and executives peace of mind while supporting better outcomes across the health care ecosystem




Built on Deloitte's ability to help engineer advantage across some of the world's most complex supply chains and for the largest health care providers, the Supplier Risk Mitigation Program is considered a burden lifter for a growing number of health care providers and, importantly, described by program members as an extension of their teams.

The program leverages technology and techniques originally developed by working with the Department of Defense for more than 20 years, an organization with one of the most sensitive and secure supply chains in the world.

Did you know?



 A growing network of health care providers are looking potential disruption in the face and making more confident decisions on how to mitigate. *What risks are they seeing right now that you might be missing?*

**Move from “what could have been”...**

*“Prior to the Supplier Risk Mitigation Program (SRMP), we were purely reactionary to what was happening in the market. For example, in 2018, there was a recall on surgical gowns that impacted around 20% of the U.S. gowns of a tier 1 supplier. The SRMP would have caught this at the time, raised questions early on, and allowed us to get ahead of it.”*

- Chief Supply Chain Officer, Leading Academic Medical Center

**...to what is the norm for program members.**

*“When the COVID pandemic hit, the Deloitte team shifted to actually helping us more effectively source PPE and find things overseas before other providers were able to. **Our relationship went from just planning and support to a boots-on-the-ground effort. Before the rest of the world knew who these manufacturers were, we were able to identify them, order directly from them, and get six months of supplies.**”*

- SVP Supply Chain, Multiregional Health System

## What our program members experience

The program brings together proprietary [supply network visibility](#) and [cognitive risk sensing](#) technology, health care sourcing experience, and a unique relationship among preeminent provider organizations to provide:



### Supply network illumination

- Illuminate the supplier network multiple tiers deep across 40 (and growing) distinct supply categories
- Understand complexities in the supply network or risks with particular suppliers that require ongoing monitoring; for example, do you know where there are shared Tier 2 or Tier 3 suppliers and raw material providers for the contract manufacturers you rely on?



### Monitoring, screening, and alerting

- Suppliers are risk-screened and medium/high risks are identified using visibility into open source and proprietary data from more than 800,000 sources across 190 countries and 80 languages
- Continually monitor suppliers, interpret findings for discussion, filter incoming signals, and distill into relevant potential threats across geopolitical, labor, weather, and cyber related issues
- Receive ad hoc briefings and reports in response to special events; for example, members received a briefing in summer 2022 around tension between China and Taiwan with risk assessments across various supply categories



### Mitigation strategy support

- Join regularly scheduled calls with other program members to develop solutions for and collaborate on joint mitigation efforts around identified potential disruptions
- Gain insight into leading practices around resource conservation and stockpiling strategies, including decision support around what steps to take
- Conduct ongoing alternative supplier identification, sourcing, and negotiations as risks are identified and triaged



## The program in action: Phlebotomy supply shortage (Fall 2021)



### Disruption identified

Through ongoing monitoring services provided through the program, signals were picked up around a potential shortage of specific phlebotomy supplies more than three weeks before it became common knowledge.



### Illumination and sourcing expertise put to action

Our members flew into action when they received the alert from Deloitte. The program was able to identify alternative supply options, verify supplier legitimacy with vendor intelligence, and support stockpiling activities, which led to one health care provider member gaining up to 120 days of safety stock.



### Disruption hits mass markets

By the time the mass market found out about the shortages, the primary manufacturers had already put all provider customers on allocation—meaning there was no longer an opportunity to stockpile or even receive outstanding orders. Also, unverified third party suppliers started approaching providers selling product at five times the normal price.



### Outcomes

The program helped its members ensure the availability of critical supplies without jeopardizing quality of patient care and them having to pay exceptional cost. One provider experienced \$450,000 in cost avoidance and the supply chain team looked good in the process, in front of both senior executives and clinicians.



Ready to make more confident decisions against the supplier risks you didn't know were there, while building greater resiliency *and* efficiency?

Contact us to learn more about the Supplier Risk Mitigation Program.

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