



Making eCommerce more effective

Synchronising data for improving eCommerce and supply chain management

GS1 Global Healthcare - Singapore
10 November 2010



The Formation of GHX

March 29, 2000: GHX formed by five major manufacturers

Johnson & Johnson



GE Healthcare

Baxter



Medtronic



Abbott Laboratories

The Vision:

To create an independent, open and neutral global healthcare trading exchange to facilitate the exchange of information in the buying, selling and distribution process.

The Impetus:

\$11-16 billion of dollars in waste in the healthcare supply chain

- *Identified by two separate studies: EHCR and Andersen (2001)*

GHX Ownership: 2010

Baxter

Johnson & Johnson

 **Medtronic**

SIEMENS


Abbott Laboratories

GE Healthcare


Owens & Minor, Inc.

 **COVIDIEN**
positive results for life™

**Boston
Scientific**

ThermoFisher
SCIENTIFIC
The world leader in serving science

 **BD**


AmerisourceBergen

BAIRD


CardinalHealth

B|BRAUN

MCKESSON


PREMIER

UHC 

HCA

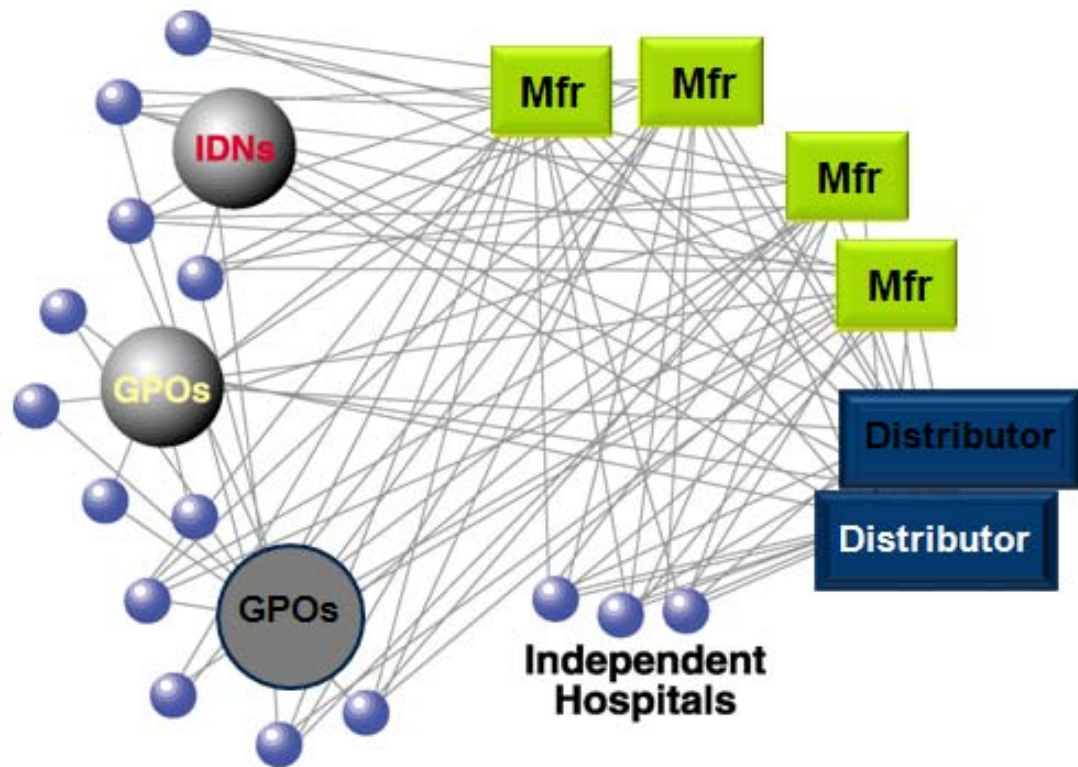
VHA

20 owners, representing the entire healthcare supply chain
No company owns more than 15% of GHX

Healthcare e-Commerce: 2000

Before GHX, participants...

- Established and maintained multiple connections, protocols and databases
- Manually ordered by phone or fax; paper invoices
- Maintained manual contracting processes, limited reporting
- Managed disparate information technology systems
- Managed thousands of data changes each year

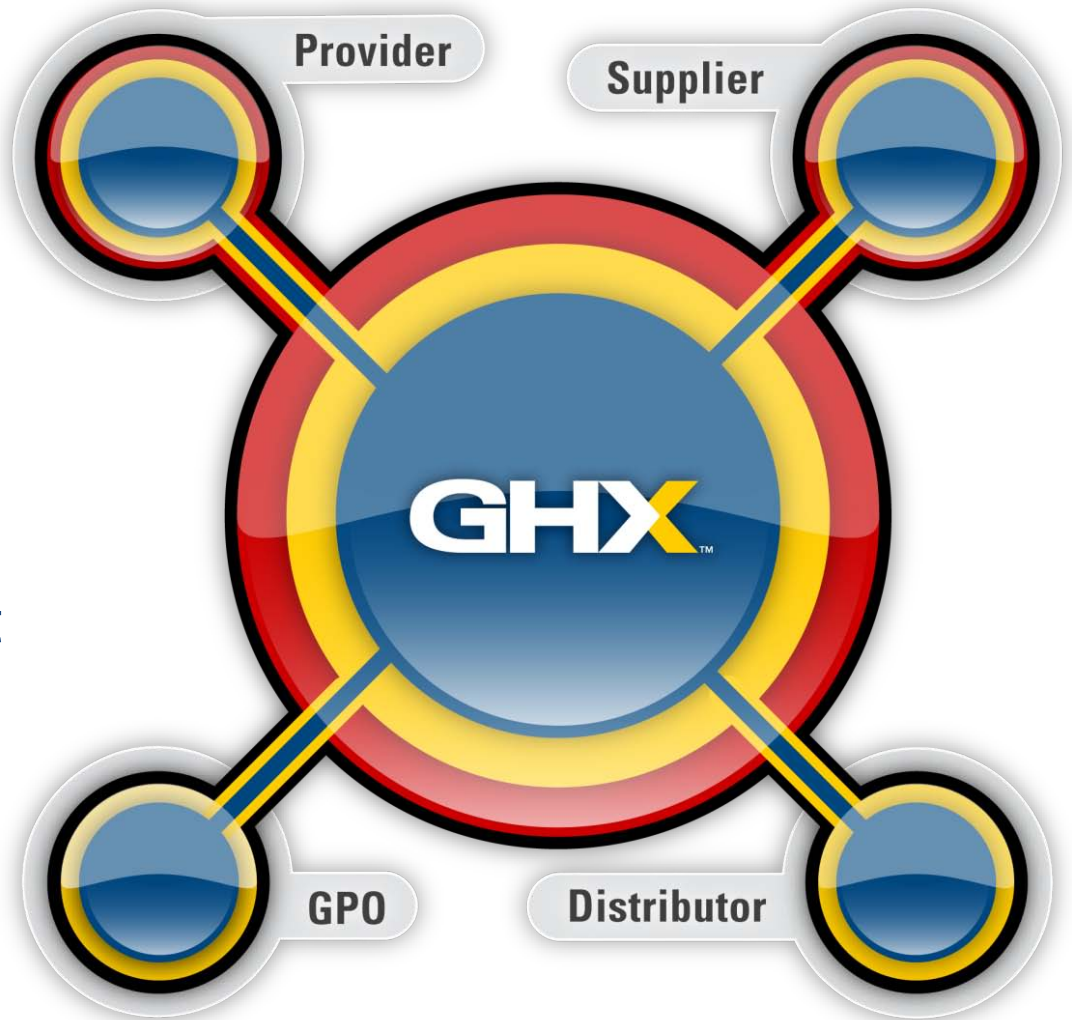


Healthcare e-Commerce: 2010

With GHX, participants...

- Maintain a single connection for “one-to-many” e-commerce transactions
- Benefit from highly automated processes
- Reduce costs throughout their organization

...and benefit as the community grows



GHX Mission and Strategic Goal

Mission

GHX maximizes automation, efficiency and accuracy, resulting in better patient care and billions in savings for the healthcare community.



Strategic Goal

Document over \$5 billion dollars in savings in 5 years

Geographic Expansion



Global Headquarters –
Denver, Colorado



European Strategy

- Executive management team
- Increased supplier investment
- Utilization
- Partnership strategy

The Guiding Principles of GHX

1. Open and neutral trading exchange
2. Focus on healthcare supply chain customers
3. Financial model is designed to reduce supply chain costs
4. Charge all participants fair value for the benefits received
5. Will not manufacture, package or distribute healthcare products
6. GHX will not intentionally influence the terms of any contracts or intentionally influence the distribution channel of any product
7. Security to ensure confidentiality
8. Will not aggregate demand or otherwise become a group purchasing organization
9. GHX will follow data ownership guidelines as detailed in the “Data Ownership Statement”
- 10. GHX will work to promote the adoption of industry standards.**

Current State: GHX

GHX is the world's largest collaborative community of healthcare providers and suppliers

North America (US and Canada)

- More than 80% of US hospitals use GHX
- More than 130,000 unique trading partner connections
- 9,264 integrated provider facilities
 - Including 3,903 hospitals, 80% of licensed beds in the U.S.
- 303 integrated supplier divisions
 - More than 85% of products regularly purchased by hospitals
- Total organizations transacting via GHX
 - Providers: 11,000+
 - Suppliers: 4,700+

Europe (UK, Germany, 7 other countries)

- More than 1000 providers
- More than 300 suppliers
- Nearly 100% of NHS pharmacies



GS1 Global Data Standards at GHX

- Engaged with many GS1 Member Organizations and various work groups,
- Serves on **GS1 US Healthcare Leadership Team**,
- Member of **GS1 Global Healthcare**, and participate with work groups,
- Initiated the **GHX Industry Standards User Group** in June 2009
 - Average 150 GHX members – monthly web/conference meeting,
- Facilitates the use of **GLNs** while
 - Working with our members for **reconciliation and transactional support**
 - **Documenting support materials**; implementation guides ,white papers, education and such,
- **Classify products**; UNSPSC, eClass, other content-related data services,
- Engaged with **USA's FDA Unique Device Identifiers (UDI)** Initiative,
- Serves on GDSN, Board of Directors and
- Live with **GHX Health ConneXion,™** a **GDSN-certified data pool**, focused on healthcare.

GHX Health ConneXion™ a GDSN-certified data pool

A portion of our members either live, or in process:

Abbott
Aurora Healthcare
Baxter
BD
Covidien
C. R. Bard
Dekroft-Metz
HPG
Johnson & Johnson Healthcare
Novation
Ohio State University Medical Center
Orlando Health
Owens & Minor
Siemens
Sisters of Mercy
Teleflex
University of Dusseldorf Hospital
University of Kentucky Hospital
University of Mississippi Medical Center
W.L. Gore
...plus more

*this is GDSN Growth
....specific to Healthcare*

Committed to GHX by 2012:

BBraun
Edwards Lifesciences
Hospira
....plus more

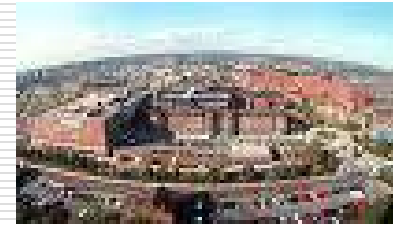
An example of improving eCommerce and more



E-business and GS1 Standards at Covidien

- **Equity member of GHX since 2001**
- **Member of GHX Europe Board**
- **GHX is our single connection choice for all markets**
- **Member of GS1 Healthcare Leadership Team**

The Leeds Teaching Hospitals NHS Trust



- ❑ The first Leeds General Infirmary opened in March 1771 with just 27 beds
- ❑ By March 2010 we had 3,800 beds and 64 theatres over 5 sites in the city
- ❑ Budget of £950m, 14,000 employees
- ❑ Complex Supply Chain – 1200+ GLN's

GHX Nexus

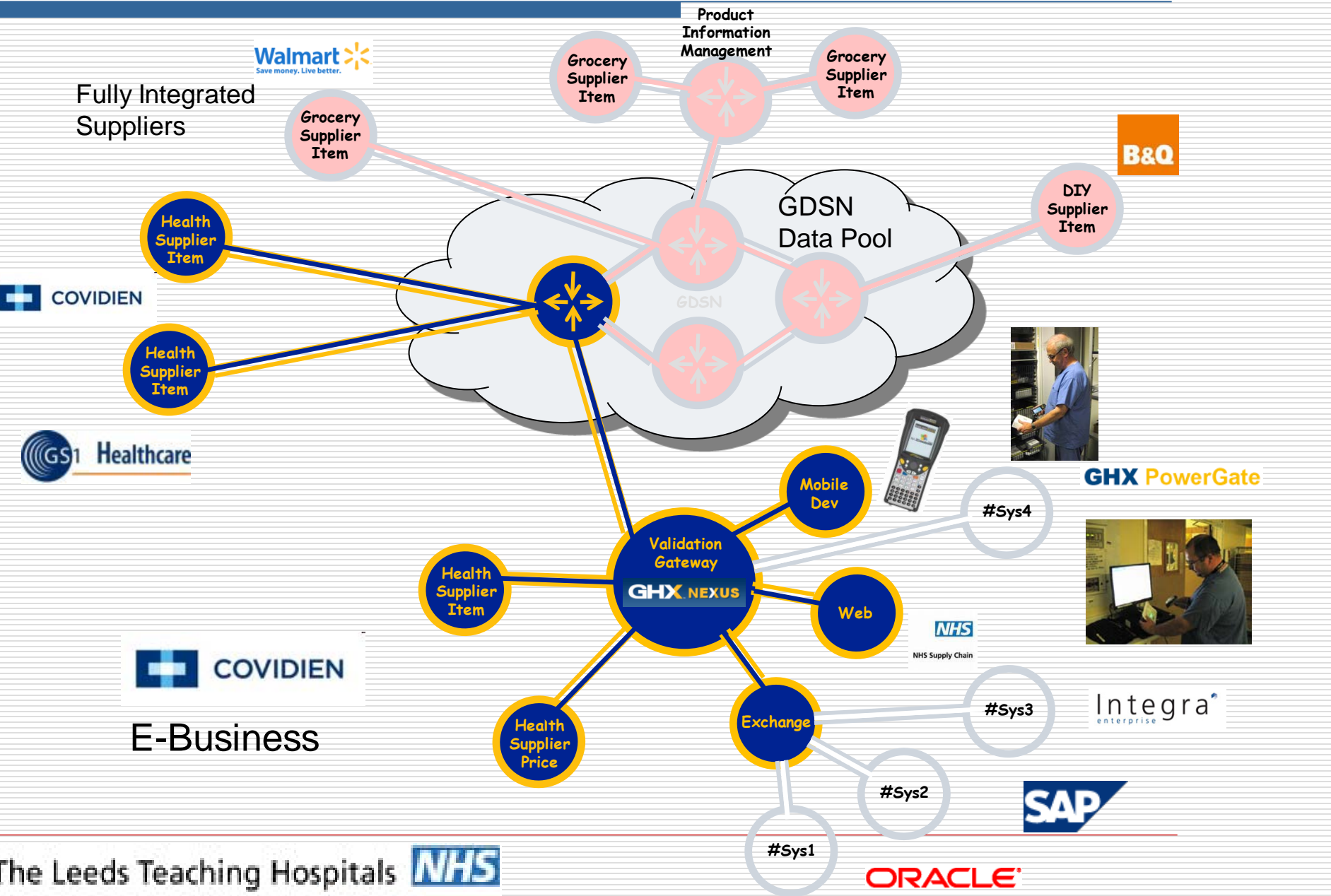
- ❑ Supplier managed catalogue
- ❑ Covidien update available to Leeds specific catalogue

The screenshot shows the GHX Nexus web application interface. At the top, there is a navigation bar with links for 'GHX UK Home', 'Support', 'Contact', 'User Guide', and 'Logout'. Below this, a user is logged in as 'graham.medwell@leedsth.nhs.uk' with the account 'Leeds Teaching Hospitals NHS Trust'. The main navigation menu includes 'Shop', 'Browse', 'Staging', 'Approval', 'My Account', and 'Trading Accounts'. The 'Catalogues' section is active, showing a search for 'covidien' and a filter for 'All catalogues'. There are buttons for 'Update', 'Import', and 'Export'. Below the search, there are buttons for 'Create Customer Catalogue', 'Create Distributor Catalogue', and 'Create Supplier Catalogue'. A table lists catalogues with columns for 'Supplier (Manufacturer)', 'Customer', 'Catalogue Name', 'Published / Unpublished', and 'Status'. The first row shows 'Covidien (UK) Commercial Ltd' as the supplier, 'Leeds Teaching Hospitals NHS Trust' as the customer, and 'Covidien - Supplier Owned Catalogue' as the catalogue name. A green arrow points to the 'Update' button, and another green arrow points to the 'Create Supplier Catalogue' button. A green arrow also points to the 'Covidien (UK) Commercial Ltd' entry in the table. The page footer includes 'Terms of Use - Privacy statement' and 'Copyright GHX UK Ltd. All rights reserved'.

Supplier (Manufacturer)	Customer	Catalogue Name	Published / Unpublished	Status
Covidien (UK) Commercial Ltd	Leeds Teaching Hospitals NHS Trust	Covidien - Supplier Owned Catalogue	6944	Final

Green arrow indicates supplier catalogue update available – one click and the GTIN's are in the system.

Content Distribution Network



Point of Demand – Main Theatres LGI



GHX PowerGate

Top-up

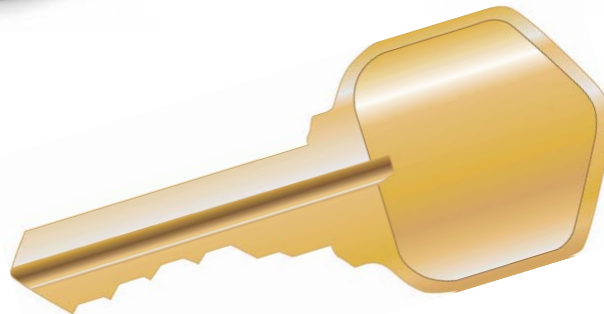


GHX PowerGate

Inventory

Data from GHX Nexus automatically fed to GHX Powergate point of demand system (inventory and top-up) and Oracle e-Business suite.

Timely Communication Open Collaboration



Collaboration is Important Work in Healthcare

**“Individual commitment to a group effort;
that is what makes a team work,
a company work,
a society work,
a civilization work.”**

Vince Lombardi (1913-1970), an American football coach

For More Information

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