



Cook Medical Australia's journey to being EDI compliant

Presented by

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Cook Medical, Lisbon Update October 2012





Cook Medical – General Information



Cook Medical (Cook) incorporated in 1963 has its head office in Bloomington, Indianapolis.

- 9 manufacturing sites
- 10,000 employees globally
- Distribution in 141 countries
- 10 Strategic business units
- 50 years of sustained growth
- World's largest privately owned medical devices company
- Celebrating 50 years in 2013





Cook Medical business diversity



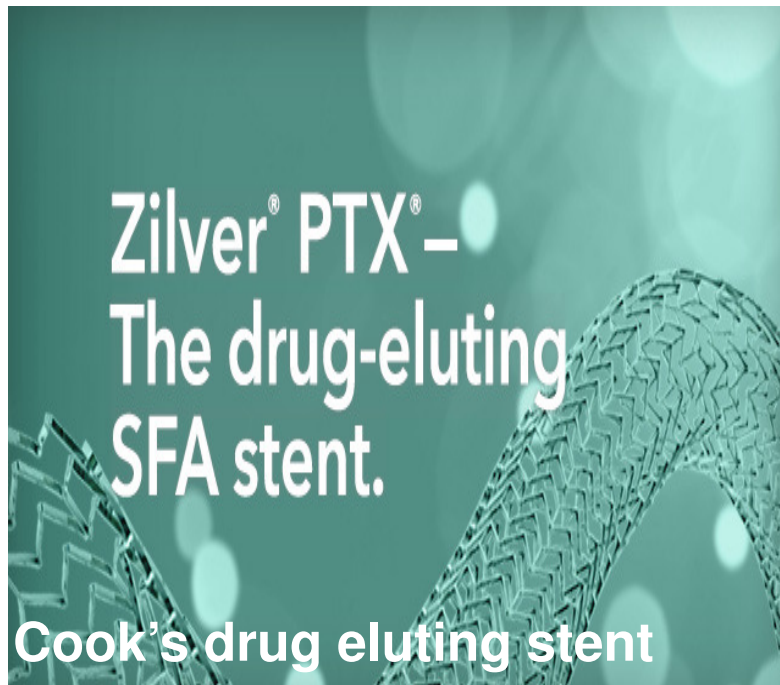
Cook Medical conducts business in diverse fields such as :

- Medical technology / devices
- Tissue based products
- Cellular Products
- Contract Pharmaceuticals
- Medical polymer manufacturing
- Custom made stent grafts
- Property interests – leisure and other properties (apartments)





Why become GS1 NPC compliant?



In Australia, it was a pre-requisite of many public tenders for our major customers to be GS1 NPC (National Product Catalogue) compliant.

Cook Medical wanted to allow our customers enhanced access to real-time data on our product / pricing catalogue via the NPC – one source.

Once NPC ready, Cook Medical was positioned to move on to the next step of trading electronically (EDI) with our customers.





Cook Medical – NPC compliance challenges



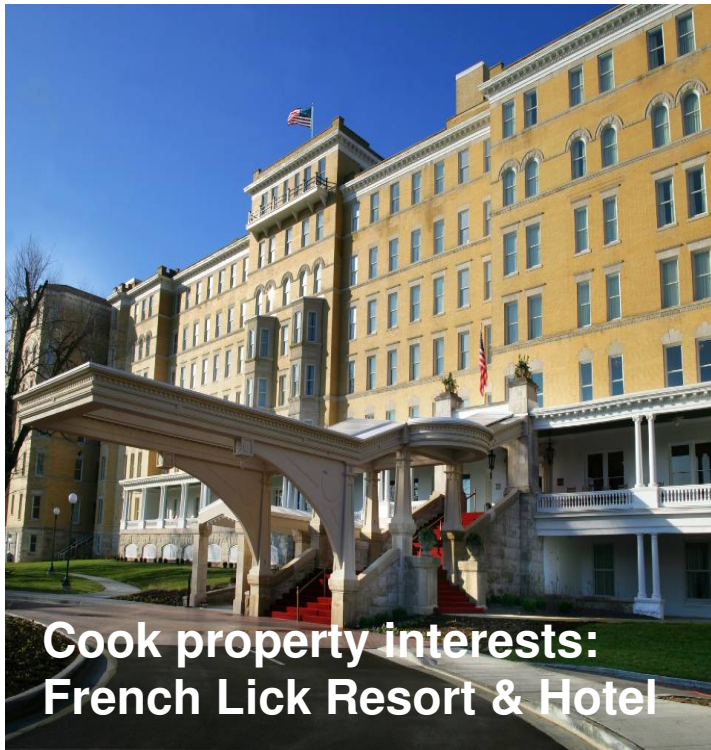
Cook Medical staff attended GS1 / NEHTA (National e-Health Transition Authority) training and seminars to understand what was needed to upload 5000 products (5700 GTINs) with pricing data for 11 trading partner GLNs. Internal ERP systems had to be cleansed and made ready for the NPC which allowed us to improve our own internal processes.

GS1 NPC catalogue required more information than Cook carried in its ERP systems, hence we partnered with an external contractor for the final point of translating Cook's data to NPC standards.





Cook Medical – NPC compliance challenges - continued



NPC compliance was achieved by working with third party hub providers, as they validate the GS1 XML message structures in/out of Cook's IT systems and filled in the data that we did not have, but was required to be NPC compliant. This process took approximately 8 months by a small dedicated team.

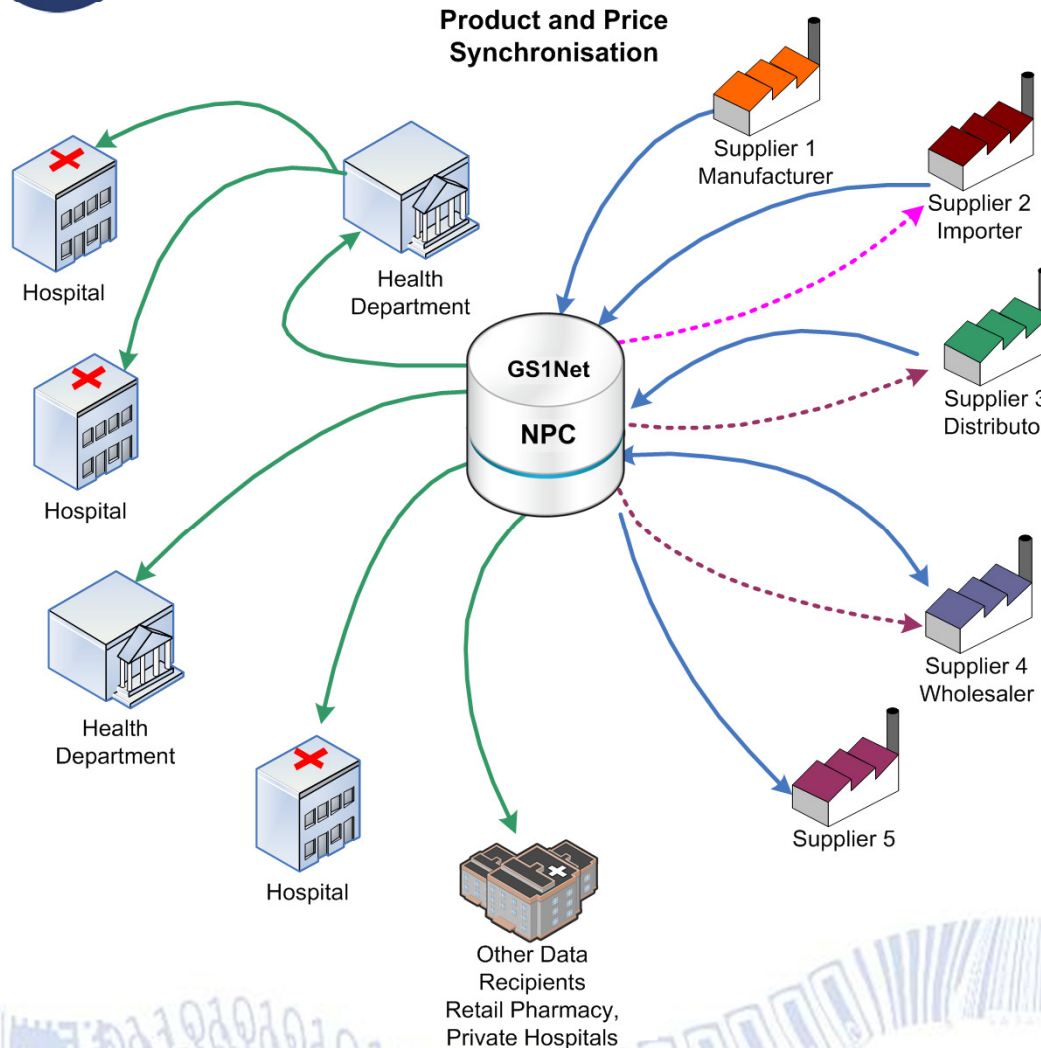
Once we had our product catalogue on the NPC, the focus was to ensure all purchasers knew about it and used the catalogue from the NPC, instead of relying on spreadsheets.



NPC and EDI in Sync



nehta



EDI how it works



Hospital

1. Hospital updates Cook's catalogue from the NPC on to their ERP system;
2. Cook receives purchase order from hospitals;
3. Order is processed to DC;
4. POR's including dispatch notice, invoices and credit notes are generated.

Product data is common to all - Price data is customer specific



Cook Medical's EDI challenges



Different customers have different requirements / expectations during EDI transactions. We manage these expectations via control boxes ticking on/off documents that are required by each purchaser.

Customers that follow GS1 standards closely and strictly are the easiest to work with as they use the NPC catalogue and have least discrepancies during ordering process.





Advantages of EDI



- ✓ Helps maintain Cook's position as an innovative market leader.
- ✓ Real-time access of Cook's product catalogue for its customers via NPC.
- ✓ Customer service team on both sides work with lower error rates, thereby providing efficiency and savings in supply-chain.
- ✓ Customers can choose to receive electronic dispatch notices, Invoices, Credit notes etc.
- ✓ Allows customers to forecast, plan and order giving Cook time to manufacture, allowing supply chain to manage stocks proactively and deliver just-in-time.

The Cook Medical logo, consisting of a red square with the word "COOK" in white serif font and "MEDICAL" in white sans-serif font below it.

COOK[®]
MEDICAL



Return on EDI Investment (ROI)



ROI (example of 1 order with 10 line items)	Manual	EDI
Faxed / email order comes in	2 mins	EDI auto
Customer service picks up and passes to right staff	2 mins	no pickup required
Purchase Order (PO) is checked and entered in internal ordering system for correctness - product / price	5 mins	PO processed with only the line item with errors rejected or substituted & processed
if Error in PO, call up hospital and fix error	30 to 45 mins	auto
NEW approved PO is re-faxed, CSR picks up and processes PO	6 mins	auto
Total time	1 hour / order of 10 line items	3 minutes
Cost approximately	\$5.50 per order of 10 line items	.50c
@ 1000 orders per day savings add up	\$5,500	\$500
@ 25,000 order per month savings really add up	\$137,500	\$12,500



Cook Medical – EDI status in Asia Pacific



Cook Medical currently trade via EDI with customers in Australia. By the end of next month we would have 180 hospitals in Australia trading via EDI. We are currently trialling EDI in Japan and in China.

The ultimate vision is to have all of Cook Medical trading partners operating using a single global standard for EDI.

Effective EDI will help save overall healthcare cost and enhance savings to patients and governments world-wide.





Thank you





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