

# Put the **value** back in your supply chain

ValueLink®



**CardinalHealth**

# ValueLink®

*Put the value back into your supply chain*



## What is ValueLink®?

ValueLink® is an industry leading logistics service that helps eliminate the large cost of storing, maintaining and distributing supplies. The program is designed to meet the needs of individual facilities, based on demand flow.

ValueLink® can streamline inventory management by delivering low-unit-of-measure or “Best-Unit-of-Measure” orders directly to hospital departments or other points of care; thereby reducing excessive touch points in the supply chain. Orders are transmitted electronically to Cardinal Health, and supplies are delivered ready for distribution directly to patient floors.

## Comparison between traditional and dynamic hospital supply chain

Features	Traditional supply chain	Dynamic supply chain enabled by ValueLink®
<b>Product availability</b>	<ul style="list-style-type: none"> <li>Daily, weekly stockouts and product unavailability</li> </ul>	<ul style="list-style-type: none"> <li>Significant reduction in stock-outs and call-downs</li> </ul>
<b>Inventory costs</b>	<ul style="list-style-type: none"> <li>Extra touch points in the process and inventory costs</li> <li>Use space to hold obsolete/ expired product</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of extra touch points and inventory costs</li> <li>Reduce storage and on hand inventory levels of associated holding costs</li> <li>Increased availability of storage and/or revenue-generating space</li> </ul>
<b>Supply chain flow</b>	<ul style="list-style-type: none"> <li>Inefficient ordering and timing</li> <li>Unorganized space for necessary product</li> <li>Traditional supply chain vendors usually deliver only to the dock</li> </ul>	<ul style="list-style-type: none"> <li>Efficient electronic ordering</li> <li>Space savings</li> <li>Inventory reduction</li> <li>Waste elimination</li> <li>Product rationalization and standardization</li> <li>Dynamic supply chain vendors have ability to deliver beyond dock to point of use</li> <li>Vendor consolidation and streamlining</li> </ul>
<b>Use of clinician time</b>	<ul style="list-style-type: none"> <li>Excess clinician time spent managing inventory</li> <li>Low clinician satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Less clinician time spent managing inventory and more time spent taking care of patient</li> <li>Improved clinician Satisfaction and Utilization</li> </ul>
<b>FTE allocation and utilization</b>	<ul style="list-style-type: none"> <li>Hospital labor required to make deliveries</li> </ul>	<ul style="list-style-type: none"> <li>Labor reallocation</li> </ul>

# The hospital supply chain

Traditionally, supplies flow from the distributor to the hospital loading dock. There are many disadvantages to ending the supply chain here because it does not ensure that product gets delivered directly where and when it is needed. However, when product is delivered beyond the dock to the point of use, the result is less waiting time for product availability, less handling of the product, less labor costs, and more consistent product delivery.



## Traditional Supply Chain – *before ValueLink®*

“It was a **very labor-intensive, manual process** that involved many different steps and many people handling supplies. That included **nurses, who spent too much of their valuable time ordering and maintaining inventory** — and still ran out of supplies far too often.”

Vice President, Patient Care Service  
El Camino Hospital



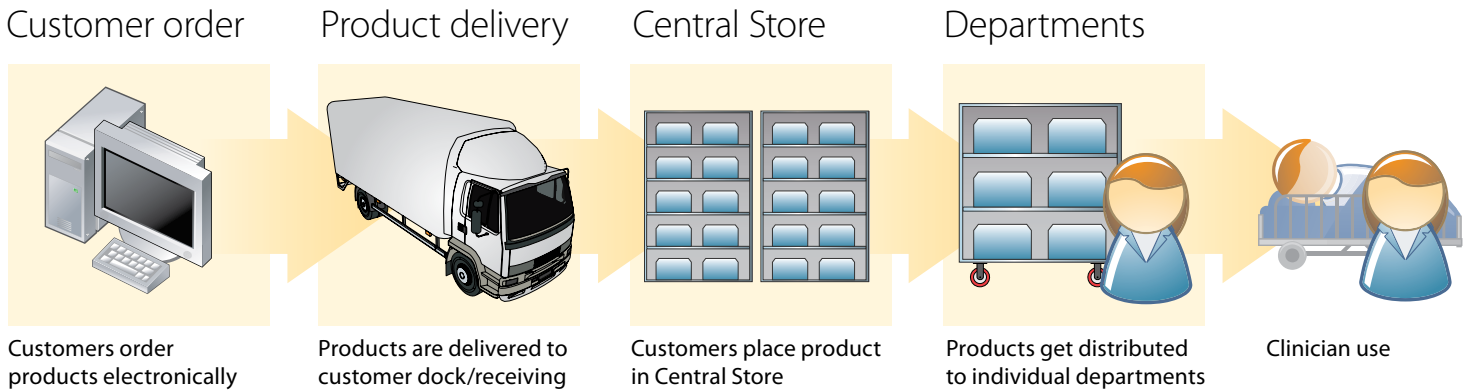
## Dynamic Supply Chain – *after ValueLink®*

“The **active collaboration** among the supply staff, nursing staff and Cardinal Health has produced a **system that supports everyone**. El Camino Hospital found a way to **remove clinicians from the supply chain** so they can **focus on the hospital's core business — patient care.**”

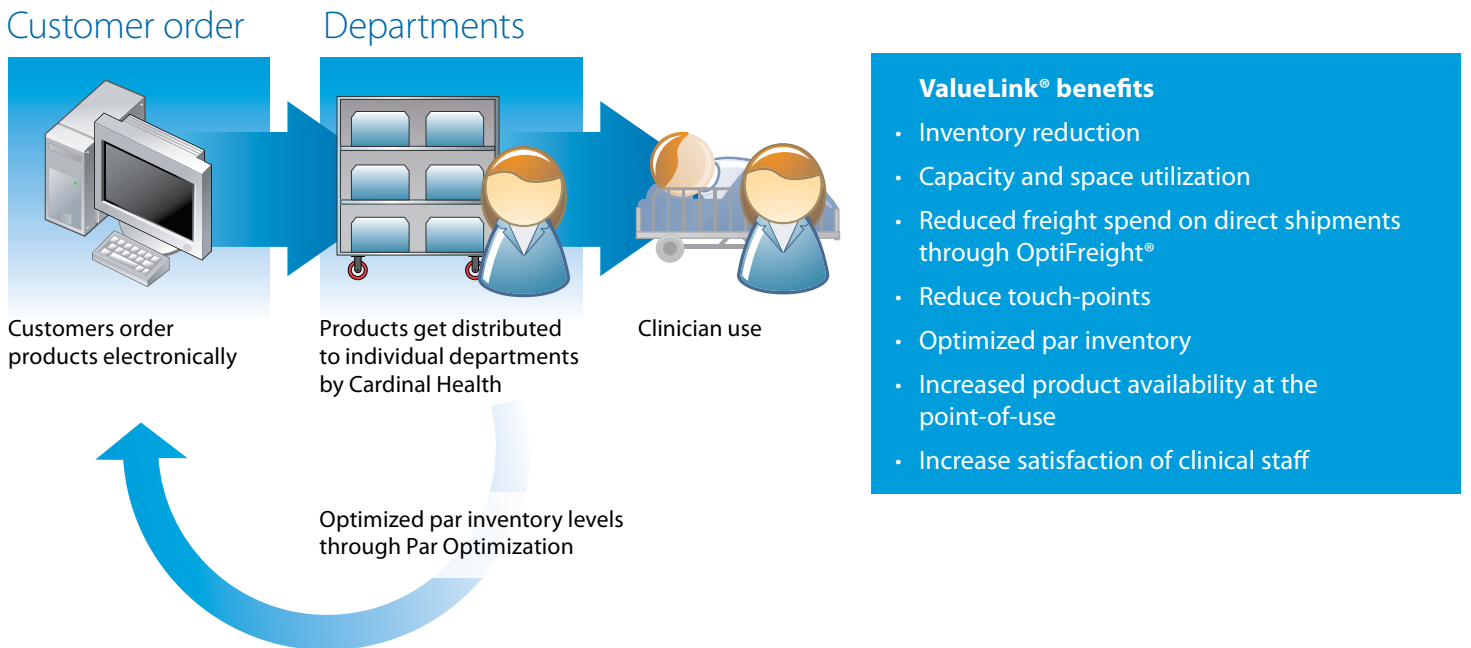
Former Director of Materials  
Management El Camino Hospital

# Traditional supply vs. Dynamic supply

## Traditional supply chain



## Dynamic supply chain enabled by ValueLink®



# The ValueLink<sup>®</sup> advantage

*ValueLink<sup>®</sup> remains an industry leader by providing low unit of measure inventory services to help streamline the inventory management process. ValueLink<sup>®</sup> can help your organization meet its needs to help contain costs and operate more efficiently. The ValueLink<sup>®</sup> advantage is a collective effort that works to extract the most value from our services and put it back in your supply chain.*



## **Cost containment**

OptiFreight<sup>®</sup> is a total freight management solution that focuses solely on the shipping needs. It provides proactive service solutions, custom reporting, freight accounting services, while incorporating Lean Six Sigma Processes.

### **Benefits:**

- Focuses on lowest cost per package
- Maximizes program utilization
- Identifies and removes additional costs

## **Supply chain efficiencies**

Par Optimization is a service quality improvement program that also utilizes a Lean six sigma driven approach to optimize the supply chain management process and achieve 99.5% product availability, virtually eliminates stockouts, and helps to improve clinical satisfaction.

### **Benefits:**

- Enables proactive management of pars through cycle counts, expired product removal, and stock rotations
- Enables proactive dialog with nurse managers to generate par location requests and increase satisfaction levels

## **Order Management**

Electronic Data Interchange (EDI) is an eCommerce solution that increases efficiencies in your order and invoice process by replacing paper-based documents with electronic data or transaction sets.

### **Benefits:**

- Reduces order processing time
- Improves data accuracy with fewer human errors
- Produces faster turnaround time for return documents

**For more information, please visit [GMB-ValueLink@cardinalhealth.com](mailto:GMB-ValueLink@cardinalhealth.com) or call your local Cardinal Health sales consultant for more information.**

### **Did you know?**

- 50% of Departmental Inventory is inactive\*
- 10% of Inventory Expense is obsolete\*
- 25% of clinical staff time is spent on supply chain activities\*
- Stock-outs... redundancy, variation and unnecessary steps ... contribute to the 74% of time nurses spend outside the patient's room meeting administrative responsibilities \*\*
- Inventory represents as much as 25% of the typical hospital's operating budget \*\*

\* Source: Cardinal Health benchmarking model 2003 InventoryLinkSM database

\*\* Source: Squire, Robert W., *Putting Information to Work: A Strategy for Boosting Supply Chain Performance*.

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