

Perspectives on Supply Chain Resiliency

What Gore worries about so you don't have to

Rhett Suhre

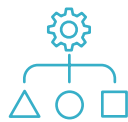
Business Solutions Gore Medical

There's a lot to consider when your organization (and your job) depends on supply chain stability. And with what we've learned from the pandemic, we need to be prepared.

Health systems rely on supplier transparency to anticipate disruptions and adapt quickly to ensure uninterrupted supply, especially when there are lifesaving or life-enhancing procedures on the line. Here are insights on the measures we have in place to help support a health system's ability to operate consistently and efficiently and ensure the right product will be there in time for the procedure.



ANTICIPATE



ADAPT

Q: What are the most important factors related to a supplier's reliability?

A: Manufacturing locations play a key role in reducing shipping delays. A global footprint may benefit a supplier's ability to source components and raw material. However, when ports are blocked or countries are crippled with illness or natural disasters, delays are inevitable and significant. At Gore, we manufacture 98%* of our medical products in the U.S. This helps us better control each aspect of our manufacturing process.

98% of Gore medical products are made in the U.S.*

Direct shipping to customers from U.S.-based warehouses — eliminating the need for a distributor — also saves valuable time and prevents disruptions. This model enables Gore to pick, pack and ship orders the same day they are received. This may not be the typical model but it does help ensure that Gore can deliver on our 48-hour†



delivery policy. Field Sales Associates can also be counted on for a ready supply of “field inventory” in emergencies. I guess you can say *we* overstock so our customers don't have to.

We also offer a consignment program where customers can keep product on hand for when they need it. Devices that have been utilized or implanted are then replenished with no restocking fee. The program includes inventory management with electronically scanned consignment checks to provide traceability and transparency.

Q: What did Gore learn from the pandemic?

A: The pandemic reinforced the importance of mitigating risk and creating redundancies. It is critically important to have inventory located in multiple locations in the value stream — from the point of manufacturing to the point of care.

We have healthy inventory levels in our warehouses, with safety stock, and we also have field and hospital consignment inventory, and hospitals can purchase their own devices. This is one of the reasons we had no supply disruption throughout the pandemic.

In addition, our Field Associates are not paid on commission and work side-by-side with the physicians and staff to ensure the right product is available to aid in positive patient outcomes.

* With U.S. and foreign components. † Exceptions may apply.

Q: What guidance can you offer for health systems seeking more transparency with their suppliers?

A: Backorders are going to happen. It's a fact of life. What makes the difference is how often they occur, how quickly the supplier recovers and how well the supplier communicates the short- and long-term resolutions. This is the kind of knowledge a health system needs to function confidently. Key metrics such as days of inventory on hand, on-time shipments and order accuracy give health systems a clear picture of how a supplier is performing.

A Gore key metric:
99.95%
order accuracy*

At Gore, we're governed by the question, "What's the right thing to do?" Across our organization, that mindset guides our intent and ability to communicate transparently. We build our products and relationships to last, and we stand ready to support them for years to come. This extends to our Tier 2 and 3 suppliers. We track their performance and partner with them to help us better anticipate any backorders or other disruptions.

Technology, such as an external platform, can further advance a supplier's ability to monitor and quickly identify potential threats to the supply line. Tools like this, along with Kanbans and other inventory controls, support

Gore Medical: For more than 40 years, our level of performance has matched the performance of our medical devices — reliable, durable and effective. As we move forward, we will continue to lead the way by raising standards and improving care for more patients, while providing viable options for more physicians, providers and payers.

Our devices include vascular grafts, endovascular and interventional devices, surgical meshes, sutures and staple line reinforcement materials. With more than 55 million devices implanted worldwide, we are a world leader in membrane technology and biomaterials.



Learn more about Gore at goremedical.com

our belief that any problem worth solving is worth doing so in a way that earns our customers' continued confidence.

Q: What else does Gore do to help minimize supply chain disruption?

A: Suppliers want to provide as much stability as possible to create a resilient supply chain. The risk of disruption increases when multiple sources are needed to deliver the finished solutions. We reduce this risk and increase resilience by engineering our raw materials in house. That means we can better control the supply chain—minimizing the changes in ownership and helping ensure we have the solutions physicians and their patients need, when they need them.



Rhett Suhre
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A commercial leader with 33 years' experience working in the medical device industry, Rhett leads

collaborative efforts around process improvement, project management, elimination of waste in health care and creating a better overall patient experience.

Gore supply chain logistics are intended to provide rapid and efficient delivery of products needed for patient care. While Gore strives to provide efficient and timely product delivery, factors and events beyond the control of Gore may affect delivery. Prior performance may not reflect emerging or unforeseeable conditions and does not create any reliance interests.



Pressure test your supply chain

Consider how these factors can help ensure supplier stability.

INVENTORY ASSURANCE

- Manufacturing locations
- Raw material staging
- Inventory safety stock
- Direct shipping vs. distributors
- Field inventory

CUSTOMER TRANSPARENCY

- Tracking, including:
 - Days of inventory on hand
 - On-time shipments
 - Order accuracy
- Real-time inventory management

SUPPLIER VISIBILITY

- Tier 2 and 3 supplier risk exposure
- Technology to monitor and identify potential threats
- Kanbans and other inventory controls

* Based on an average of ~900–950 orders per day over a one-month period.
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