



HOW TO REDUCE IMPLANT COST

VENDOR MANAGEMENT EXPERT

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Jeff Wertz | President Surgio Health

Beyond Clean Vendor Management Expert™:

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The Hospital/ASC facilitates the “last mile.” Implant cost is a significant portion of the total cost of a procedure. Of that implant cost, the manufacturer pays upwards of 30-40% of that to the rep/distributor. That sizeable portion is justified for value beyond just managing the surgeon relationship; the primary reason is the necessity for those reps to handle the “last mile” of inventory logistics: transport, storage, handling/organizing, etc.

But the question arises: What alternative do the manufacturers have?

Every facility does the same things but in different ways. Each has different storage locations for implant tubs and distinct policies for tray drop-off/pick-up. These are all variables that come into play after the unreliable scheduling process, akin to a game of telephone.

As a result, the manufacturer must rely on someone locally to manage that last mile. That’s where the rep comes in and establishes value beyond the product expertise and relationship with the surgeon.

The best negotiations achieve a win/win. Rather than just asking the manufacturer to reduce the price, take a fresh look at how your health system might help them achieve it.

How can your facility make this process more reliable that does not require the rep to make 2 additional trips to drop off and pick up inventory? How can you help the manufacturer reduce or make shipping/storage costs more manageable?

Hospital systems that can work with the manufacturer to standardize the “last mile” by offering dependable systems and establish pathways for this stand to win. We’ve reviewed “The Future of Vendor Managed Inventory.” in the past and that optimal system is attainable for those who start.

Have more vendor management questions? Contact Jeff at: jwertz@surgio.com

Beyond Clean Vendor Management Expert™ Biography:

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Jeff has 10 years of healthcare experience developing, implementing, and selling technology to hospitals, ASC's, and private practices throughout the country. He currently serves as the President at Surgio Health where he partners with health systems to design and deliver innovative modern technology and data to improve surgical logistics. Jeff spent his early years as a medical device representative supporting surgeons and hospitals in orthopedic trauma and extremities procedures. He is passionate about drawing on this past experience to apply novel technology solutions that better address and inform the needs of each stakeholder.

For more information about improving vendor management in your facility, contact Jeff at jwertz@surgio.com

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