

# Achieving Efficiency in Health Logistics with Global Healthcare Supply Chain Standards

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## WAREHOUSING

Efficient warehouse operations

## COORDINATION OF DELIVERIES

Effective transportation operations management

## PROACTIVENESS

Proactive approach towards improving fulfillment operations

# CHALLENGES, SOLUTIONS AND TRENDS



## Challenges

- Unstable disease patterns
- Better informed patients
- New health markets
- Growing competition
- **Increasing cost pressure**
- Outsourcing and more complex supply chain
- **More strict regulations**
- **Innovation**

## Logistic Implications and Required Actions

- Segregating supply chains
- Empowering the consumer
- Building up local capabilities
- **Increasing supply chain transparency and visibility**
- **Maintaining supply chain adaptability, collaboration and convergence**

## Trends

- Transition from supply chain to Logistics Network with interconnectivities, agility, priority risk management based on distribution channels, and different types of production.
- **Supply chain cost management.**
- **Complexity reductions.**
- **Optimization and efficiency**
- **Real-time operational performance monitoring.**
- Patients/victims-complaints management with proactive/impulse problem-solving approach
- **Product security and regulatory compliance**



- Technology drives inter-connectivity
- Flexible logistics network promotes agility and efficiency
- Digitisation improves ways to capture data and use them for real-time information system for the supply chain
- More accurate data helps to achieve better disaster logistics, up-to-date information and tracking system for identification of persons, commodities and counterfeits.

# Supply chains upon which lives depend: GS1 standards can make a difference!



Often the supply chain is broken:

- Critical products are not available when needed
- Drugs are expired or not stored correctly
- Inventory management is not optimal
- Traceability is not achievable
- Responsibility towards donors not fulfilled



**Development:**  
Routine health system

**Humanitarian:**  
Response to crises

# GLOBAL STANDARDS IN H & H LOGISTICS



## Benefits

- ✓ Bridge cultural and developmental divides
- ✓ Enhance integration and seamlessness in information management and communication
- ✓ Enhance warehouse management

## Benefits (continued)

- ✓ Remove barriers and national complexities and enhance better visibility and tracking of commodities across borders
- ✓ Improved procurement and transport management
- ✓ Efficient prepositioning of humanitarian goods

**GS1 provides innovative technology-based global standards that do not only solve challenges of humanitarian and healthcare logistics/supply chain but proactively optimise for the future.**





# GS1 purpose



**GS1 believes in the power of standards to transform the way we work and live.**

**We create** a common foundation for business by uniquely identifying, accurately capturing and automatically sharing vital information about products, locations and assets

**We enable** visibility through the exchange of authentic data

**We empower** business to grow and to improve efficiency, safety, security and sustainability

**We are:**

Neutral and  
not-for-  
profit

User-driven  
and  
governed

Global  
and local

Inclusive  
and  
collaborative





# GS1 by the numbers



**1 million**

Developing standards  
for over 1 million  
companies worldwide

**150  
countries**

25 industries served  
across 150 countries

**5 billion**

Barcodes scanned more  
than 5 billion times per  
day globally

**112 MOs**

112 Member  
Organisations  
around the world

# Identify



# Capture



# Share



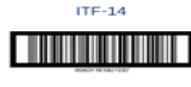
## Identify: GS1 Standards for Identification

**GLN** Global Location Number    **GTIN** Global Trade Item Number    **SSCC** Serial Shipping Container Code    **GRAI** Global Returnable Asset Identifier    **GIAI** Global Individual Asset Identifier    **GSRN** Global Service Relation Number



## Capture: GS1 Standards for Barcodes & EPC/RFID

### GS1 Barcodes



### GS1 EPC/RFID



## Share: GS1 Standards for Data Exchange

**Master Data** Global Data Synchronisation Network (GDSN)

**Transactional Data** eCom (EDI)

**Event Data** EPC Information Services (EPCIS)





# GS1 Recognised NGO status by UN

UNITED NATIONS  NATIONS UNIES

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

Office for ECOSOC Support and Coordination – NGO Branch

DC1-1480, 1 UN PLAZA, NEW YORK, N.Y. 10017

Tel: (212) 963-8652 • Fax: (212) 963-9248

[www.un.org/ecosoc/ngo](http://www.un.org/ecosoc/ngo)

1 August 2011

Dear NGO Representative,

I am pleased to inform you that the Economic and Social Council (ECOSOC) at its Substantive Session of July 2011 adopted the recommendation of the Committee on Non-Governmental Organizations (NGOs) to grant **Special** consultative status to your organization “GS1”. On behalf of all staff of the Non-Governmental Organizations Branch, please accept our heartfelt congratulations.



# GS1 Healthcare: an expanding, committed community of globally engaged stakeholders...



...and there are many more companies working with GS1 at a local level



# Huge cost savings and patient safety benefits when adopting a single global standard in healthcare



“Implementing **global standards** across the entire healthcare supply chain **could save 22,000-43,000 lives** and avert 0.7 million to 1.4 million patient disabilities”

“Rolling out such standards-based systems globally **could prevent tens of billions of dollars’ worth of counterfeit drugs** from entering the legitimate supply chain”

[We] “estimate that **healthcare cost could be reduced by \$40 billion-\$100 billion globally**” from the implementation of global standards

“Adopting **a single set of global standards** will cost significantly less than two” (between 10-25% less cost to stakeholders)

**SOURCE: McKinsey report, “Strength in unity: The promise of global standards in healthcare”, October 2012 <http://www.gs1.org/healthcare/mckinsey>**

# USAID-PSM developed a Strategy for Global Standards adoption based on GS1

## IDENTIFY

Assignment of numbers to items and locations

## CAPTURE

Marking of application identifiers on packaging and labeling

## SHARE

Exchange of master and transactional data

## USE

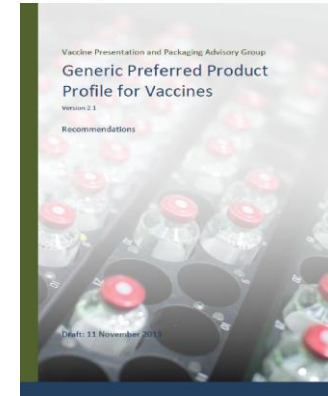
Data management; streamline processes; track and trace



# WHO and USAID/UNFPA

Recognising the possibility to improve the supply chain with global standards:

- **WHO**'s 2015 Generic Preferred Product Profile for Vaccines (PSPQ2) recommends barcodes with GS1 standards (Global Trade Item Number - GTIN, lot number and expiry date) on all packaging levels with the exception of primary packaging
- **USAID** and **UNFPA** requirements for reproductive health products will be put into action now – same approach: GTIN, lot number, expiry date – later serialisation



## Identification Guidelines for Reproductive Health Products

Reproductive Health Global Traceability Advisory Group





# GS1 Humanitarian Initiative

## Humanitarian supply chains are vital but not optimised

Supply chain is critical

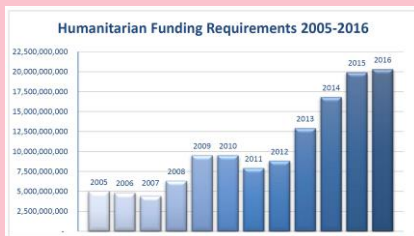
**60% to 80%**  
OF HUMANITARIAN  
cost is in the  
SUPPLY CHAIN



“...the success or failure of a response hinges on the humanitarian supply chain....”



Humanitarian costs are rising



Select supply chain needs

- Greater visibility and accountability
- Improve speed of response by addressing bottlenecks
- Improve efficiency through improved sharing of data

GS1 Humanitarian Initiative works with partners:

- UNHCR project
  - Will use GS1 standards in their logistics
- Global Pandemic Supply Network
  - Multi-stakeholder initiative using GS1 standards



# Pandemic Supply Chain Network



**GS1 standards will support increased speed, accuracy, visibility, and coordination essential to effective response**

## Why?

**360 million people**  
could die in one year

**10% of global  
GDP**  
could be lost

**USD 54 billion**  
cost of SARS in 2003

**>50% cost of  
response**  
is in supply chain and  
logistics

## Who?

- World Health Organization
- World Food Programme
- World Economic Forum
- University of Minnesota
- USAID
- US CDC
- UPS Foundation
- GS1
- NEC
- Manufacturers like Henry Schein, Johnson & Johnson, Becton Dickinson

## What?

- Estimation of Needs
- Knowledge of stocks and supply limitations
- Country logistics capacity assessments
- Real time information on routes
- Information platform providing upstream and downstream visibility

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