

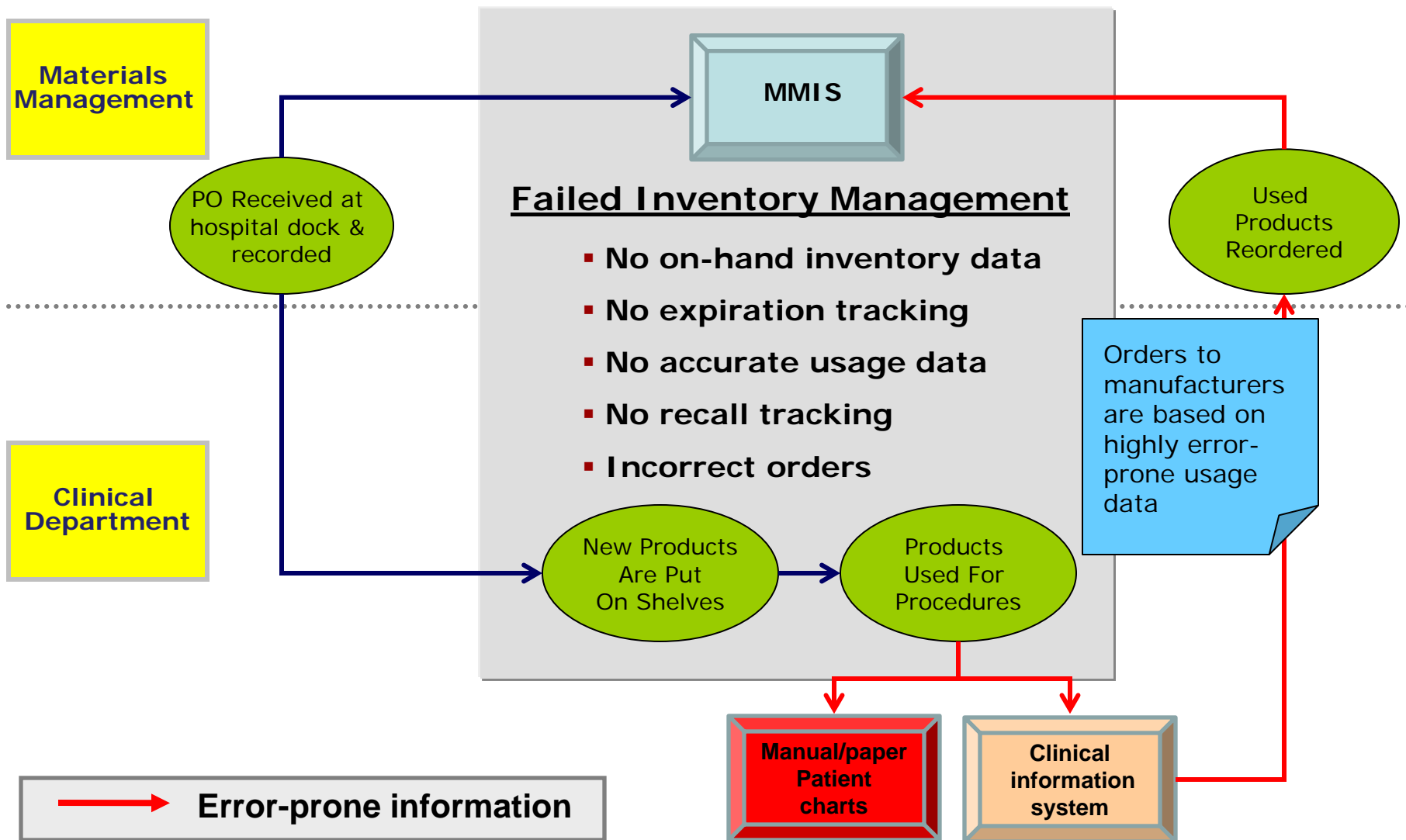


***Current Inventory Tracking Issues Plaguing Both Hospitals
and Manufacturers***

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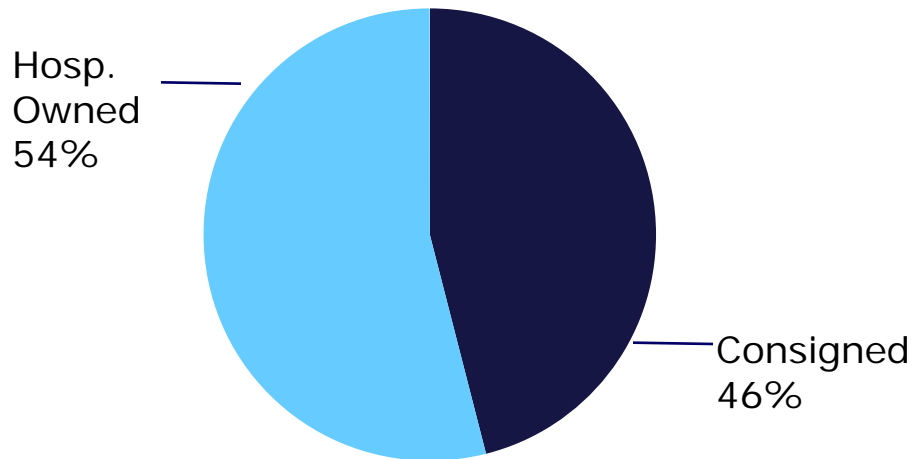
In Addition to Inaccurate Usage Information, Inventory Tracking Typically Lacks On-Hand Inventory and Product Pedigree Data



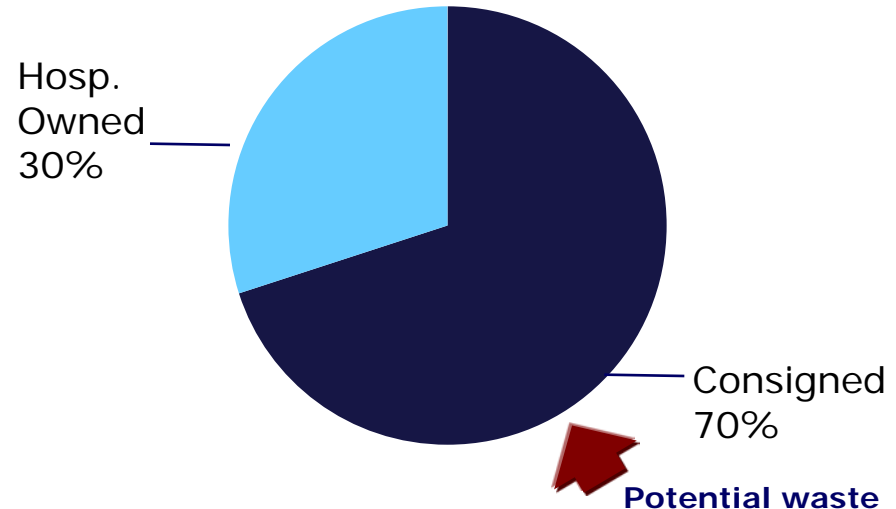
Current Inventory Management & Consignment Practices Lead to Bloated Inventories & High Product Waste Levels

➤ *Example of a medium-size cath lab:*

Unused Product Value
Total = \$690,000



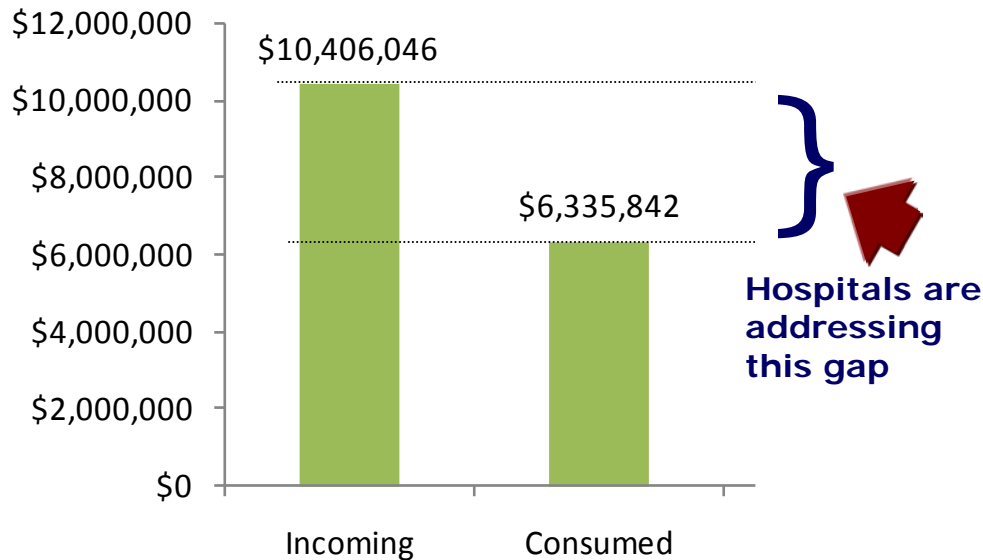
Expiring Inventory 6 Months Ahead
Total = \$450,000



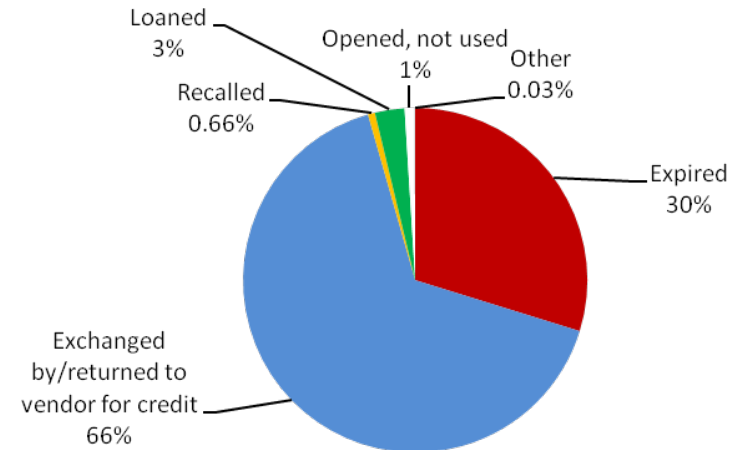
- ❑ **Consigned items that are stagnating mean misaligned consignment programs, excessive stock to accommodate and manage, and potentially higher waste levels and costs**

Inventory Purchases/Replenishment Is Poorly Aligned with Actual Utilization Trends. . .

Inventory Transactions by Value Over a 12-months Period



Inventory Removal Activity by Value Over a 12-months Period



. . . Resulting in oversized inventories, high waste, and significant product returns to manufacturer – most of which are consigned

What's Needed by both Hospitals & Manufacturers:

- ❑ Greater inventory & consumption data transparency, including lot/serial #s & expiration date tracking
- ❑ Greater accuracy of product data capture & communication
- ❑ Minimize the levels of waste and product returns
- ❑ Better recall tracking data and communication

What Manufacturers Can Do Now:

- ❑ Realign consignment programs with actual hospital needs
- ❑ Offer support to hospitals through the use of affordable and scalable technology and/or inventory management service solutions