

CASE STUDY



CardinalHealth

Cardinal Health

SERVICES OFFERED: **Roadmap for setting up Service & Repair Network**

SECTOR/INDUSTRY: **Healthcare (Medical Devices)**



Roadmap for APAC Service & Repair Network Setup

“This expansion came with major operational and strategic challenges for us. SKP has been a crucial partner in the successful and timely execution of this project. They have provided focused solutions, with detailed scenario planning to tackle exigencies. Their solution charted the conceptualization, analysis, planning and implementation of the acquisition. The task focus, professionalism and resourcefulness displayed has been exemplary, and has encouraged us to engage with them on future business concerns.”

Shawn McBride

Vice President, APAC
Supply Chain and Commercial Operations,
Integration Management Office

The Client

Cardinal Health connects patients, providers, payers, pharmacists and manufacturers for integrated care coordination and better patient management. Backed by nearly 100 years of experience, with approximately 50,000 employees in nearly 60 countries, it ranks amongst the top 25 on the Fortune 500. The company provides clinically-proven medical products and pharmaceuticals, and cost-effective solutions that enhance supply chain efficiency from hospital to home.

Cardinal also brings scaled solutions that help its customers thrive in a changing world. It helps pharmacies, hospitals and ambulatory surgery centers, clinical laboratories and physician offices focus on patient care while reducing costs, enhancing efficiency and improving quality.

The Acquisition

In 2017, Cardinal acquired three medical supplies businesses from Medtronic (Patient Care, Deep Vein Thrombosis and Nutritional Insufficiency) for USD 6.1 billion.

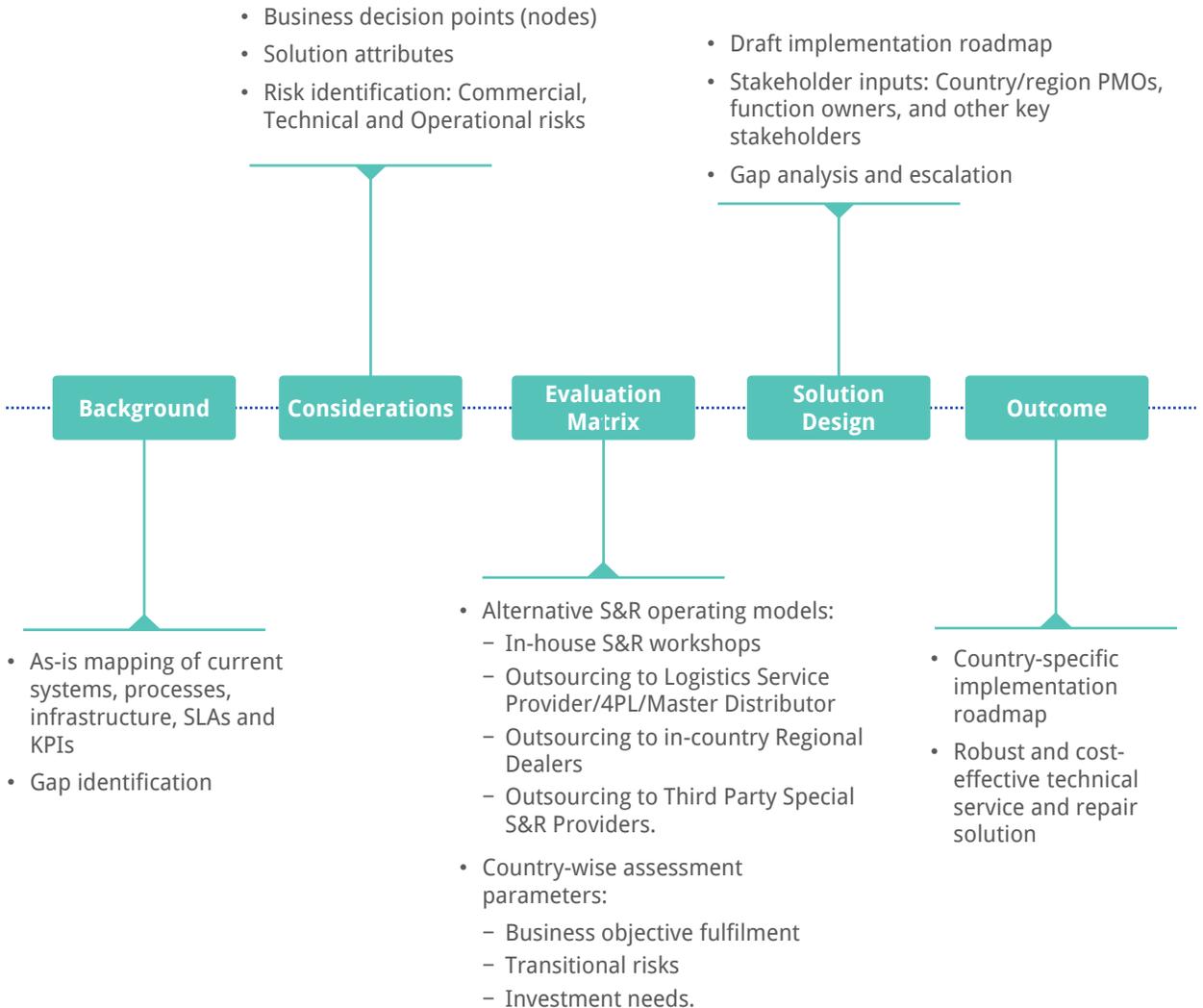
The Problem

The range of products Medtronic transferred included Medical Machinery. Unlike consumables which require only supply and product return channels, Machinery supplies require maintenance support. Hence, a Service and Repair (S&R) function needed to be created to support these products.

Key challenges:

- Lack of experience in maintenance function
- Aggressive transaction timelines
- Implementation across 22 APAC countries
- Customization required due to different sizes and operating environments of countries.

Our Approach



A broad spectrum solution

- **Country-wise optimal S&R model:** We assessed the commercial, operational, cost, and transactional aspects to determine the optimal model for each of the 22 APAC countries.

For some of the larger and complex countries, SKP delved deeper to offer more granular visibility. Different models were presented based on quality, cost, and timeline analysis, and this helped facilitate selection of a final model.

- **Insights on IT and Supply Chain:** Insights on complex functional work streams were also provided and used to facilitate decision making.

- **Stakeholder inputs:** Inputs from geographically scattered stakeholders were consolidated and aligned with the different models.
- **Detailed roadmap:** SKP provided a detailed roadmap to country specific project management teams to facilitate smooth execution to achieve the desired outcome.
- **Solution alignment:** Additionally, SKP also supported the client by bringing alignment to the recommended models among the relevant stakeholders scattered across geographies.

For more information on this case study, please contact:

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