Concord Hospital Supply Chain Management

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Introduction

The phrase “supply chain” is commonly used to describe the interconnected systems of warehouses, factories, and other points of distribution that work together to source raw materials, manufacture intermediates and final goods, and ship them to customers. All company’s fortunes rise or fall on the quality of their supply chain management, and this discipline gives businesses an edge in the marketplace. Successful supply chain management increases customer satisfaction, decreases operating expenses, and protects a company’s good name. Much like any other company, the success of Concord Hospital is highly dependent on the quality of its supplies. If the company’s supply chain is weak, it will have a diminished competitive edge, and its rivals will be able to gain ground. Cost reduction, enhanced product quality, and increased adaptability are ways the supply chain influences the company’s reputation in the marketplace. So, this project explores how the company’s supply chain affects its reputation.

Impact Of Economics on Concord Hospital Supply Chain

The Concord Hospital is subject to economic impacts from its industry. One factor that impacts Concord Hospital Supply chain management is the cost of medical supplies and equipment. Providing healthcare services is not cheap due to increasing drug costs. The prices for pharmaceutical drugs have hiked twice in the previous decade; thus, the suppliers for these drugs have hiked the prices. As a result, Concord Hospital must develop techniques to help them navigate the higher prices in the industry, maintain the suppliers and provide quality services (Wang & Dai,2018). If the hospital’s supply chain management staff cannot convince suppliers to reduce their costs, they should attempt to negotiate better terms.

Another economic factor that affects the supply chain for Concord Hospital is the inflation rate. Inflation connected to goods in the United States has been at multidecade highs, and it looks like this trend will continue until 2022, with the Producer Price Index still around 10%. Employers in the numerous service sectors have already started a dangerous wage-price spiral by offering raises in 2021 and planning for more raises in the first half of 2022. The Federal Reserve of the United States and most industrialized country central banks plan to increase interest rates and withdraw funds from oversaturated financial markets previously supported by bond purchases. Constraints and inflation may worsen before they improve as monetary operations lag.

Furthermore, political factors play a significant role in supply chain management. With the changes in the healthcare industry, most governments are enacting new policies and regulations, such as the Affordable Care Act, which sometimes influences the hospital's budget as they have to operate under these regulations and policies. Additionally, market uncertainties such as recession and economic boom may negatively or positively affect the company's revenue (Alzoubi et al.,2020). For instance, during an economic recession, the organization's revenue may decline, thus resulting in the company's inability to purchase supplies and necessary equipment that enhance efficiency and effectiveness in service delivery.

Impact Of Supply Chain on The Organization Expenses

Any company's supply chain greatly affects organizational expenses positively and negatively. The supply chain of any firm directly affects the company's acquisition costs, distribution and selling costs, and production costs, among others. Concord Hospital cannot provide itself with all equipment and services required for effective service delivery; thus, supply chain is essential. The supply chain affects procurement costs. Having a good and effective supply chain would help the hospital minimize procurement costs as it would help identify, select and bargain with the suppliers, resulting in better pricing and the most favorable terms that would aid in reducing the costs of goods and services (Kouvelis & Zhao,2018).

Consequently, the supply chain plays a great role in production costs. If the healthcare facilities have a poor supply chain technique, then the cost of production would be high, and if the firm had a well-organized supply chain, their low production cost, thus maximizing the profits. The supply chain helps optimize the production procedures, reducing waste, reducing production costs and reducing supply chain cycles that would lead to high costs.

The Concord Hospital could not function properly without pharmaceuticals and other inventory forms. As a result, the hospital's important resources would be tied down, and the company may incur unnecessary costs like upkeep and losses if it kept too much stock on hand. By the time the Covid 19 epidemic hit, most companies had already purchased vaccines to prevent further infection and contain the disease (Barman et al.,2021). Vaccines are no longer recommended for routine use only two years after their introduction, meaning that any remaining supplies held by Concord Hospital would be considered obsolete, resulting in a loss of inventory for the corporation. Yet, suppose it uses an efficient supply chain. In that case, it can optimize its inventory and predict demand and supply, cutting down on inventory expenses and the amount of capital spent (Basheer et al.,2019). Additionally, the supply chain could positively or negatively affect customer service expenditures. When a corporation has inefficient supply chain methods, getting products and services from the organization to the customers will take longer, driving up prices. Customer service fees could be lowered if the hospital improved its delivery methods and manufacturing efficiency.

Concord Hospital's state of supply chain management

Concord hospital's supply chain management entails vendor management. Healthcare facilities mainly depend on supply chain techniques to operate efficiently and effectively. Concord hospital is one of the healthcare facilities that highly depends on suppliers; thus, if by any chance the hospital mess with the supplies, it would operate ineffectively (Mathur et al.,2018). Hence vendor management is essential in managing the supply chain. Concord hospital manages its vendors by offering them a listening ear, controlling costs, reducing risks related to suppliers and building a good and enabling environment for the suppliers. The supply chain management also evaluates the vendor's capability, efficiency, quality of their supplies, and reliability. Concord Hospital currently have a procurement and logistic department. The organization's supply chain department ensures that it has procured all materials necessary for the execution of healthcare services. When the healthcare procures purchases and supplies, they must be transported to the hospitals. Thus, the logistic department ensures that there is efficient flow in the distribution of supplies and services and there is cost-effectiveness.

Most businesses today are concentrating on improving their supply chain strategies by increasing automation of the supply chain to obtain an edge over rivals in the market. Thanks to recent technical and automated developments, big data initiatives and improving supply chain visibility have been implemented at Concord Hospital (Clauson et al.,2018). Much money is being put into technology to help the healthcare industry streamline its supply chain. As a result, healthcare supply chain management establishes a sustainable supply chain utilizing eliminating wastes, engaging in CSR activities like offering free medical checkups, and avoiding environmental contamination.

Advantages of Co-branding with your organization's suppliers

The following will be the benefit that Concord hospital will get if they co-brand with their suppliers:

1. There will be increased brand recognition as the company will associate itself with well-known suppliers, which will aid in creating trust with the hospital.
2. Concord hospital's partnering with its suppliers will aid in helping healthcare access a wider audience by tapping into its client base and expanding its reach.
3. Co-branding with suppliers helps reduce costs such as marketing and advertising costs.

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