GS1 Australia

ResMed

ResMed/GS1 Australia Case Study

An Australian company is helping the medical world tackle a potentially fatal disorder with a range of innovative products. Its manufacturing and marketing processes are underpinned by a robust global supply chain and the GS1 standards.

Sleep-disordered breathing (SDB) affects around 20 per cent of the adult population, making it as widespread as diabetes or asthma. In August 2008 an Australian study, from researchers at Sydney's Woolcock Institute for Medical Research, found that obstructive sleep apnea - in which the airways repeatedly constrict during sleep, starving the brain of oxygen - increases the risk of death independently of other factors. Health professionals have called for the medical profession and the general public to take this potentially deadly disease seriously.

Since it was established in 1989, Australian company ResMed has been taking sleep apnea very seriously. ResMed develops, manufactures and markets innovative medical products for the treatment and management of respiratory disorders and has a special focus on products to treat sleep-disordered breathing.

In Australia it makes a range of approximately 400 health products such as masks, flow generators, and diagnostic and medical data management equipment. There is such a global demand for ResMed products that it sells them in more than 70 countries with 97 per cent of ResMed's products exported.

GS1 System Implemented

Trading in a global environment has meant that the company's traceability processes need to be foolproof. To ensure a robust and efficient supply chain, ResMed has implemented the GS1 System of standards in its business.

Graeme Scott, ResMed's Director of Logistics, said the implementation of the GS1 System had led to an overall improvement in visibility of the supply chain and greater efficiency.

The company sources a large volume of component parts from both local and overseas suppliers, hence the management of goods inward is vitally important. Every part received is uniquely identified and has a GS1-128 Bar Code applied. The GS1 Bar Codes are scanned to record the part's storage location for quick and easy retrieval.

From its Australian facilities, ResMed produces thousands of masks per day. The main raw material for these masks is silicone, imported from the US. On completion, each mask is marked with a GS1-128 Bar Code containing an internal identification number.

In its general manufacturing plant, where flow generators, humidifiers and diagnostic equipment is constructed, ResMed handles some 150 work orders every day. Products manufactured are identified with a GS1 Global Trade Item Number (GTIN) and a lot number in a GS1-128 Bar Code. In the past the company would manually close work orders in two to three days. Now with the GS1 system in place and using bar code scanning processes, a work order down to pallet level can be completed within 10 minutes.

This system has also meant the company can process work orders for multiple countries with products labeled specifically for different regions to meet traceability and regulatory requirements.

Pallets of products that are moved out of the manufacturing plant to ResMed's warehouses are labeled with a Serial Shipping Container Code (SSCC) ensuring the company can track inventory movements. In a recent receiving trial at one of its overseas warehouses ResMed was able to process 10 pallets in just 20 minutes using SSCCs, a process that used to take two hours.

"We have greater component traceability with this system as well as efficient tracking," Mr Scott said.

"ResMed has certainly realised some valuable business benefits from using the GS1 System," said GS1 Australia's Industry Manager – Healthcare, Tania Snioch. "In the healthcare sector, where patient safety and quality of healthcare provision is the key focus, having an efficient supply chain is extremely important."

Mirage Quattro Full Face Mask

Leveraging GS1 Australia's Support

ResMed is keen to remain aware of new technologies and processes for supply chain management. As a Corporate Member of GS1 Australia, the company has leveraged some of GS1 Australia's education and training services to do just that.

Working with Joseph Taylor, Senior Advisor – Industry Management, the complete ResMed Supply Chain team attended a session at GS1's Sydney-based Supply Chain Knowledge Centre. During this session, GS1 Australia helped ResMed understand the future possibilities for even more comprehensive use of the GS1 System within its supply chain. This included the use of the traditional GS1 standards, such as identification and bar coding, as well as the possibility for introduction of newer standards such as direct part marking (bar coding) for individual item traceability, and EPC/RFID, the GS1 standards for Radio Frequency Identification.

"ResMed has been keen to use its GS1 Australia membership entitlements and to actively work with us," Mr Taylor said. "It is in this sort of collaborative environment that we feel that GS1 Australia is best able to support our members. I look forward to GS1 Australia continuing to work with ResMed on such a proactive basis."

Next Steps

"Sleep apnea is such a debilitating condition, it is important that sufficient time and effort is spent to keep developing the treatment patients receive, and also to ensure the availability of treatment equipment.

"Addressing the latter, ResMed will continue to work closely with GS1 Australia to understand and implement standards-based supply chain management," Mr Scott said. "The possibilities for future supply chain improvement, and ultimately providing best service to our trading partners and end customers, are endless and we will continue to work to harness these."

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For further information about the ResMed/GS1 Australia Case Study and how the GS1 System can assist your business, please contact: GS1 Professional Services on 1300 366 033 or via email on profservices@gs1au.org

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