



**BvW Global**

| Consulting | Technology | Resourcing | Outsourcing | Community |

**BY TALKING THE SAME LANGUAGE, MILLIONS OF DOLLARS  
CAN BE REMOVED FROM THE HEALTH SUPPLY CHAIN.  
MILLIONS CAN BE RE-ALLOCATED TO PATIENT CARE.**

*IntelligentClassifier*

***The Intelligent Classifier will bring that capability to your supply chain by standardising the coding of your product description catalogues using Worldwide accepted numbering schemes, known as UNSPSC and GPC.***

Sydney

310 George Street  
GPO Box 311  
Sydney NSW 2001

p » +61 (0) 2 8011 3670  
f » +1 508 300 0445  
m » +61 (0) 403 444 101

[www.bvwglobal.com](http://www.bvwglobal.com)

**Sydney - NSW, March 2, 2007** – BvW Outsourcing ([www.BvWGlobal/Outsourcing](http://www.BvWGlobal/Outsourcing)), a division of BvW Global ([www.BvWGlobal.com](http://www.BvWGlobal.com)), will assist your company in taking care of your non-core competencies. The Intelligent Classifier (IC) is one of the services BvW Outsourcing provides to the health industry trading partners that wish to normalise and standardise their product catalogues to achieve more efficient communication and order-to-payment cycle between buyers and sellers.

“We have targeted the health industry for several reasons. The first being our understanding of the inherent inefficiencies in the health supply chain starting with sourcing product requirements, establishing systems of information capture for product management via catalogues, moving the information electronically via optimised business processes – from sourcing to payment - while delivering products to hospital wards. The existing inefficiencies cost millions of dollars each day and ultimately impact patient care and tax payers” says Christophe Barriere-Varju, MD of BvW Global.

While the current [sourcing-to-payment] cycle currently works, it offers tremendous rooms for improvements. One of the many issues that can immediately be addressed and implemented is that some suppliers and health jurisdictions have not yet embraced a worldwide-accepted coding structure for their products. There are two worldwide standards that have emerged: UNSPSC (United Nations Standard Products and Services Code) and GPC (Global Product Classification), both are supported by the Intelligent Classifier. The health industry should be 100% compliant with those standards.

The problem is simple states Barriere-Varju, “suppliers have catalogues of products they provide to the market. Those products are coded in-house, or they simply use manufacturer codes.

The customers, on the other hand, may buy the same type of products but from different suppliers, and end up with two different product codes to manage. Customers may even develop their own coding structure using non-logical complex scripts.

The cost of not-implementing a standardised product coding structure are far more reaching than it seems. This has numerous implications to the ‘health’ of the health supply chain:

- Complexity in developing reactive and non-logical scripts that links two product codes into ERP systems;
- Inability to optimise the supplier base and standardise product categories across multiple hospitals requirements for volume pricing;
- Communication break down in the ordering process between buyers and sellers (the seller may call a product ABC1234, while the buyer may call it 4321XYZ);
- Difficulty in establishing a delivery network across geographically located hospitals that will minimise transportation costs;

- Inventory management is negatively impacted, as there is no common language between disparate inventory management systems. Real-time inventory management between buyers and sellers is difficult, if not impossible to achieve, therefore stock levels are not optimised based on demand and quantity discounts - costing huge dollars in inventory stocks and non-optimised individual product pricing;
- Because of a lack of universal product coding structure, electronic business processes are interrupted by manual transactions, leading to delays, audit capabilities, and causing bottlenecks in the end-to-end ordering-to-payment processes;
- Expense management is cumbersome to analyse as categories do not follow a logical and defined product structure – leading to non-optimised contracts between buyers and sellers;
- Difficulty for the financial departments within health jurisdictions to forecast and effectively manage individual budget allocations due to the lack of expense visibility - leading to budget overruns;
- Suppliers cannot optimise their internal operations, as they have no interactive forecast visibility to rely on, this result in higher products pricing due to last minute ordering and cost of delivery.

“One of the reason that a worldwide accepted product structure has not been more widely implemented was the time consuming and internal cost for companies to code products and services. With the Intelligent Classifier and the artificial intelligence back end, its takes us on average 1hr to process 1,000 records. Both suppliers and health jurisdictions will benefit from using the same product coding structure” states Barriere-Varju.

The acceptance of UNSPSC and/or GPC intelligent coding structures will allow your organisation’s supply chain to be much more efficient – and enable costs to be removed from the health supply chain.

Receiving a complete re-classification of your products catalogue couldn’t be easier to implement. All that companies have to do is provide their generic product description catalogues, and BvW Outsourcing will return them classified in the standard of your choice (UNSPSC and/or GPC).

“While it is easy to overlook our individual duties to other industries, the health industry impacts every one of us. It is our duty to make a decent effort to take cost out of the health supply chain and re-allocate those to patient care and research and development – that will ultimately benefit all of us and our family at some point or another. Turning a blind eye, is turning a blind eye to the people closest to you.” states Barriere-Varju.

For more information on UNSPSC, GPC, and the Intelligent Classifier, please write us [info@bvwwglobal.com](mailto:info@bvwwglobal.com).

:::END:::

*Note to editors:* For additional media content please contact  
Christophe Barriere-Varju  
Managing Director – BvW Global Pty Ltd  
+61 (0) 403 444 101  
[info@bvwwglobal.com](mailto:info@bvwwglobal.com)