POSITION PAPER

ACHIEVING GREATER VISIBILITY IN THE HEALTHCARE SUPPLY CHAIN

Selecting the right identification system for your healthcare organization

For over 40 years, the GS1® System has been the most widely used supply chain standards system in the world, providing a common, globally accepted language for the exchange of information within 25 industries. GS1 Standards are used for identifying, capturing, and sharing information about goods, services, assets, and locations throughout supply chains. The GS1 System gives each component of a supply chain its own unique number within a cohesive global structure.

The Global Location Number (GLN) is an essential part of that system and can identify any location anywhere in the world. For example, the GLN can identify a manufacturing plant, distributor’s loading dock, a hospital operating theatre, or even a storage cabinet in the pediatric ward of a hospital. Beyond physical identification, the GLN can be used to identify a legal entity such as a parent corporation versus a subsidiary versus a division.

THE GS1 SYSTEM: A HOLISTIC APPROACH TO SUPPLY CHAIN VISIBILITY

In addition to providing a unique number to identify each location, the GS1 System allows users to capture and share important information about goods, services, assets, and locations in and across supply chains.

The GS1 System captures an enormous amount of data at every level of granularity that a healthcare organization needs. Whether it’s the ability to trace a product’s whereabouts in the supply chain, or determine an expiration date, the GS1 System provides an all-encompassing infrastructure to capture and allow electronic commerce information to flow freely from supplier to customer.

GLN VERSUS DUNS: WHICH NUMBER IS BEST FOR YOU?

Choosing a global identification system is a business decision based on an organization’s individual needs.

While GLNs are designed to expedite supply chain logistics, the Data Universal Numbering System (DUNS) was developed to monitor credit issues. Created by research firm Dun & Bradstreet, a DUNS number defines companies and subsidiaries from a legal standpoint. The DUNS number originated to help organizations assess credit risk when doing business with another company, and to determine whether that trading partner posed a potential credit risk. By virtue of this origin, DUNS can provide assessments of credit risks but is more limited in its ability to facilitate supply chain transparency.

Trading partners in the healthcare supply chain need to share information in real time. For healthcare organizations, it’s important to understand the different roles a GLN plays compared to a DUNS number. Manufacturers need to communicate product locations, distributors and GPOs must share warehouse locations, and
hospitals need to share delivery point locations—these are just a few examples of when physical location information is vital for supply chain efficacy.

For healthcare organizations that need supply chain visibility, the GLN provides an essential common language for very specific physical location identification, functionality not provided by the DUNS number. Moreover, DUNS lacks the ability to capture and share information which are essential aspects in managing the logistics of supply chain processes efficiently and effectively.

THE GS1 SYSTEM: THE COMMON LANGUAGE OF HEALTHCARE

The healthcare industry is actively implementing the GS1 System. A growing number of manufacturers, distributors, GPOs, and healthcare providers have chosen the GS1 System for supply chain efficiency.


HTG advocates for the adoption and advancement of globally accepted standards in healthcare, and specifically, the implementation of GS1 Standards.

The GS1 Healthcare US initiative has also mobilized the US healthcare industry to vigorously adopt GS1 Standards. Comprised of a cross-section of manufacturers, distributors, GPOs, healthcare providers, governmental agencies, software solution providers, retailers, and other supply chain participants, its workgroups have published tool kits and presented at government forums such as the FDA Unique Device Identification (UDI) Workshop and the FDA Pharmaceutical Track and Trace Workshop.

Momentum continues to grow. Most recently, Gartner announced its 2011 Healthcare Supply Chain Top 25. Twenty-two of those named (close to 90 percent) are GS1 Healthcare US members—including Johnston & Johnson, Pfizer, Novartis, GlaxoSmithKline, Abbott, Bristol-Myers Squibb, Amgen, CVS Caremark, Baxter, BD, Cardinal Health, Mercy, Mayo Clinic, Kaiser Permanente, and more—demonstrating the wide support and use of the GS1 System of global standards by industry leaders that are recognized for driving excellence across the healthcare supply chain.

Supply chain leaders at healthcare organizations that are not currently using GS1 global standards can:

- **LEARN MORE** by reading *Perfect Order and Beyond*, a case study that documents the use of GS1 global standards in every step from manufacturing plant to patient bedside, illustrating ways the supply chain can impact patient safety and optimize healthcare operations with fully automated order processes and transactions.

- **SHARE THIS PAPER** with colleagues and trading partners.

- **DISCOVER THE POTENTIAL VALUE** for your company. Contact GS1 Healthcare US at gsihealthcareus@gs1us.org to learn more about the strategic value of GS1’s identification system for your company’s supply chain.