

Pacific healthcare case study

Business



**ASSIGN
BUSTER**

Thornton Howell, has been in charge of the X ray film supplier selection for over fifteen years and he has used any other X ray film suppliers but Kodak.

After Mr. Howell passed away, Mr. Rubble has the option to find new suppliers for a new or better deal.

Mr. Rubble found out that Kodak has some competitors with the same quality and better prices. Kodak provides Pacific Healthcare a considerable discount by using only Soda's film as a supplier, and maintenance and services are available as well. Pacific Healthcare uses 1,500 sheets of Soda's X ray film per day at \$1.00 per sheet.

Four other companies manufactured the same X ray film that Pacific uses which are DuPont, Gaff, Ifj, and MM. Manufacturer X ray film, price per sheet: Kodak \$1.80 Gaff .58 Dupont SSL .50 Fuji \$1.

40 MM \$1.35 II. Major problem If Mr. Rubble chooses to go to a different supplier; would his company be able to receive the same service that Kodak provided them? Of course, they would save more money if they change to any of these suppliers, but would it be beneficial for the success of the company. III.

Possible solutions A.

Pacific can continue using Kodak due to their durable relationship they have for over fifteen years, and they have never experienced any unstable performance from Kodak. Nevertheless, because they are using 1,500 sheets per day at \$1.80; their annual total expenses will be approximately

\$ 983, 000, Since Kodak offers maintenance and other services, which save the company time and money, Mr.. Rubble will be successful in a long run.

B. Since Dupont and Gaff provide the same quality as Kodak and their cost per sheet is lower than Soda's. By using either or, Mr..

Rubble can save up to \$ 120, 000 or more a year and invest that money in other lolls that could possibly create other opportunities for Pacific to provide better services and prices.

However, they might not receive the same services that Kodak has given them such as maintenance, discount etc. h C. This is something most company would have not done, using two different suppliers for the same purpose. Anyway, Mr.. Rubble can go both ways; use Kodak and Dupont or Gaff.

Buy less X ray films from Kodak and have the same benefits and services, and more X ray films from Dupont or Gaff Just to reduce the costs and save money.

D. Kodak Is a great opportunity for Mr.. Rubble because they offer services and have a substantial discount for using their equipment, but their X ray films price Is more expensive.

Dupont and Gaff are cheaper to use and have a good quality, but Mr.. Rubble might Ana up spending more Tort toner services, malfeasance. IV. Choice and Rationale Obtaining the highest quality with the best service at the lowest overall cost is Pacific Healthcare supply strategy for medical supplies

and Pacifism's objective is to find a single-source supplier for a one-year contract.

The best beneficial solution that Mr.

. Rubble can utilize is to continue his relationship with Kodak because they are palpable of performing at a high standard, however, if there were something that needed to be addressed and fixed within the medical department about Soda's high cost or the services that they have provided. Mr.. Rubble could go ahead and ask each and everyone from the medical staff for his or her inputs on whether to continue the contract with Kodak or change to a different supplier. Reason that Mr.

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Rubble might not choose the other options is that they might not be as stable and efficient as Kodak. Mr.. Rubble will be better off by staying with the one supplier that the company has been for past fifteen years. V.

Implementation Mr.. Rubble, as the new manager of procurement suppliers, needs to understand the key factors required to grow profitability, to improve efficiency and satisfy customers. Mr..

Rubble needs to also get all employees involved, have an effective communication, and establish a clear vision for the strategic planning.

Appendix 1 .

What alternatives should Barney Rubble consider when addressing the problem? Alternatives that Mr.. Rubble should consider when addressing the

problem are to analyze his annual performance report, review customer feedbacks and evaluate the supplier's performance to see if it meets his expectations. .

Should Pacifism's supply policies allow for any medical staff personnel to control sourcing decisions? Absolutely not, because sourcing decisions are usually made in a logical and orderly manner, and always step-by-step process that takes us to a sourcing decision.

However, the supply policies should address a procedure that would allow other personnel to provide inputs, and then combine those inputs to make a decision because business has to come together if they want to remain competitive in the long run. What are the advantages and disadvantages of staying with Kodak? or changing suppliers? How would you evaluate these? One major advantage of using Soda's film is because of higher quality and better services. Higher quality always increases customer satisfaction and often increases business's profit.

On the other hand, Pacific Healthcare will continue to spend more on X ray film.

If Mr.. Rubble had decided to change suppliers, one of his major concerns would be to rebuild that same confidence that Pacific had with Kodak for past years. 4. What action could Mr.

. Rubble have taken prior to Mr.. Howl's death to obtain reduced film prices? Mr.. Rubble could have addressed the issue with Mr.

. Howell to determine whether ten clement, services, or malfeasance is worth ten price Tort another year.