

Your Connection to Better Service Maximize Uptime and Increase Efficiency

Guy Mansueto, SVP CMO

Samantha Dzembo, Business Development Director

Agenda

- (Re)introduce PartsSource
- Helping Your Team Today
- Preparing for the Future
- Longitudinal Analysis, HTM Industry Research
- On Demand Service
- Q&A

PartsSource Evolution: from Parts Provider to Industry Leading Technology-based HTM Partner



Founded

Founded in 2001 as a medical parts sourcing and distribution organization



Procurement Optimization

Streamline procurement for hospitals, clinic sites and ISOs across US



Quality Management

Active Quality Management w/ patented PRECISION™ Procurement data engine supporting network of 6K OEMs and suppliers / 4M parts.

ISO 13485 + 9001 QMS



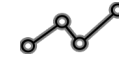
Technology

Developed web-based marketplace including cloud workflow, procurement platform, mobile compatibility and EDI, ERP & CMMS connectivity



On-Demand Service

On-Demand Service, Flat-Rate Depot Repair & Training offerings to supplement labor teams



Today

Comprehensive HTM partner, delivering best-in-class outcomes

PartsSource Past: Provider, Clinical Equipment Replacement Parts



The screenshot shows the homepage of the PartsSource ePartsFinder website. At the top left is the 'PARTSOURCE' logo. To the right is a search bar labeled 'Receiving Dock Lookup' with the placeholder text 'PRTS# or Tracking No.' and a magnifying glass icon. Below the logo is a large blue banner with the text 'Welcome to ePartsFinder®!' and 'Get instant pricing on millions of parts – from thousands of suppliers – all in one place.' In the center of the banner is a login form with fields for 'USERNAME' and 'PASSWORD', a green 'LOG IN' button, a 'Remember Me' checkbox, and a link for 'Forgot username or password?'. Below the login form is a link 'Or Continue as a Guest'. To the right of the login form is a list of services provided by ePartsFinder, including 'millions of parts from thousands of suppliers', 'order tracking', 'data and spend reporting', '24/7 customer support', 'service to 3,300+ hospitals & service organizations', and 'support for 30+ medical modalities'. At the bottom of the banner is a white box with the text 'Need a medical part? You've come to the right place.' and a 'Shop For Parts Now' button with a shopping cart icon. Below the button is the text 'Go directly to the PartsSource Medical Parts Marketplace to locate and buy the part you need immediately.'

- Beds & Tables
- C-Arms
- Cath/Angio
- Mammography
- MRI
- Patient Monitoring
- Sterilization
- Ultrasound



PartsSource Today: Comprehensive HTM Solutions



PARTSSOURCE The World's Largest Provider of Medical Replacement Products

Products ▾ Repairs & Services ▾ All ▾ Search Keyword or Item Number Quick Order ▾ Cart (99+)

Orders ¹ Quotes Repairs ¹ Returns/Exchanges ¹ Your Facility Erie Medical Field Cent...

Home > Infusion Pumps > Sigma Spectrum Smart Infusion Pump by Baxter Healthcare Corp.

Sigma Spectrum Smart Infusion Pump

Baxter Healthcare Corp.
OEM #: 35700BAX [See Replacement Parts](#)

**KNOW MORE
FACTS, NO MORE
WRITING**

LEARN ABOUT TECHNOLOGY

2570 Parts
for this device

SHOP ALL PARTS

<p>OEM Original - Outright Baxter Healthcare Corp. \$3,862.07</p>	<p>Refurbished PartsSource \$2,981.32</p>	<p>Repair PartsSource \$450.00</p>	<p>Service Call PartsSource</p>	<p>Rental PartsSource \$200.00</p>	<p>Training Baxter Medina \$3,522.00</p>
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Biomed

- Anesthesia
- Beds & Tables
- Defibrillators
- Dental
- Disposables
- Sterilization
- Test Equipment



Minor Equipment

- Fetal Equipment
- Infusion Pumps
- Monitors
- Pulse Ox
- Suction
- Telemetry Transmitters



Imaging

- C-Arms
- Cath/Angio
- Mammography
- MRI
- PET/CT
- Ultrasound
- X-Ray



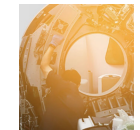
Services

- Advisory Services
- Contract Solutions
- Depot Repair
- On-Demand Services
- Training & Education
- Workflow Optimization



Accessories

- Batteries
- Cables & Sensors
- Computers & Electronics
- Facilities
- Lighting & Bulbs
- Laboratory



Training

- Certification
- Troubleshooting
- Networking and Digital
- Management

PartsSource at a Glance

The world's largest provider of medical replacement products and services

We partner with healthcare organizations to raise the availability and quality of patient care by maximizing uptime of their mission critical assets.

Trusted by top healthcare providers including...



6,000+

OEMs and Suppliers

3,500+

Hospitals and Health Systems

4M+

Products utilizing ISO 9001:2015

15,000+

Clinical sites served

350,000+

Transactions facilitated annually

90,000+

Users of our platform

1,100+

Service specialists and engineers

24/7/365

Dedicated access to our client teams and product specialists

Empowering Your HTM Team

- Single resource for all major OEMs and secondary market suppliers; web-based marketplace
- Customized access to over 4 million products and services
- Thousands of products with multiple secondary procurement options

The screenshot shows the PartSource website interface. At the top, there's a navigation bar with the PartSource logo, a search bar, and links for 'Quick Order' and 'Cart (0)'. Below the navigation bar, there are links for 'Departments', 'Today's Deals', 'Sign In', and 'Register'. The breadcrumb trail indicates the path: Home > Cables > SpO2 > "ds100a".

The main content area is divided into two columns. The left column lists buying options:

- New OEM Original Outright**: \$120.00 / each, Top Seller, Next day delivery, 90 Day Warranty.
- New Aftermarket Exchange**: \$85.00 / each, PartsSource Select, Next day delivery, 12 Month Warranty.
- OEM Certified Refurbished Outright**: \$80.00 / each, Next day delivery, 90 Day Warranty.
- Tested Outright**: \$70.00 / each, 90 Day Warranty.
- Used Exchange**: \$60.00 / each.
- Refurbished**: Warranty and Terms of Sale may vary based on option.

The right column features the product details for the 'Nellcor - 9pin Adult Digit spO2 Sensor by Covidien'. It includes a 'New OEM Original Outright Purchase' option for \$120.00 / each (marked as a 'Top Seller'). A product image shows the sensor cable. A price table indicates the current price is \$120.00 / each (down from \$250.00), and it is 'In Stock'. A table shows quantity pricing:

Qty	Price
1-5	\$120.00
5+	\$90.00

Below the table, there's a quantity selector set to 1 and an 'ADD TO CART' button. A note mentions a special handling fee. The product features list includes: OEM: Nellcor Covidien, Condition: New OEM Original, Warranty: 90 Day, Connector: 9 pin, Reusable: Yes, Size: Adult, Technology: Nellcor. There are also 'Features', 'Equivalents', and 'Fitments' tabs. The bottom section includes a 'Product Overview' with placeholder text and 'Supplementary Supplies' with links to other products.

Do More with Less

‘Lean’ order entry, management and reconciliation process will transform 90% of work

People to manage all exceptions, in real-time and proactively

- Dedicated 24/7 Rapid Response Team, best in class NPS scores
- Backorder monitoring, trend and benchmark analysis
- Supply chain surge alerts and alternatives analysis

Technology to speed Source to Approve/Pay

- Growing curated catalog of technical content
- Workflow integrated to ERP, EDI and CMMS
- Digital fulfillment network with notifications engine
- Smart Queue Technology is supplier “cut-off-time” aware and assures your orders are processed



10 Rick Sisson
eric.sisson@va.gov
Team contact and follow-up.
1 1 8 Sep

10 Tammie Cole
tammie.cole@mercyhealth.com
Price, have what you need, Customer service is Amazing.
1 1 3 Sep

10 Michael Laplante
michael.laplante@ketteringhealth.org
The ease of finding and ordering parts.
1 1 10:07 AM

9 William Goode
william.l.goode@medstar.net
efficiency
1 1 2 Sep

Ref #85462548

Optitop 150/40/80 HC 100/3 PH X-Ray Tube by Siemens Medical Solutions

Expedited Services

Shipping Address: **3 E Navarre Blvd, Thoreau, NM 87323**

Carrier: **FedEx**

Shipping Method: **Overnight**

Tracking #: **TBA006964877000**

STATUS

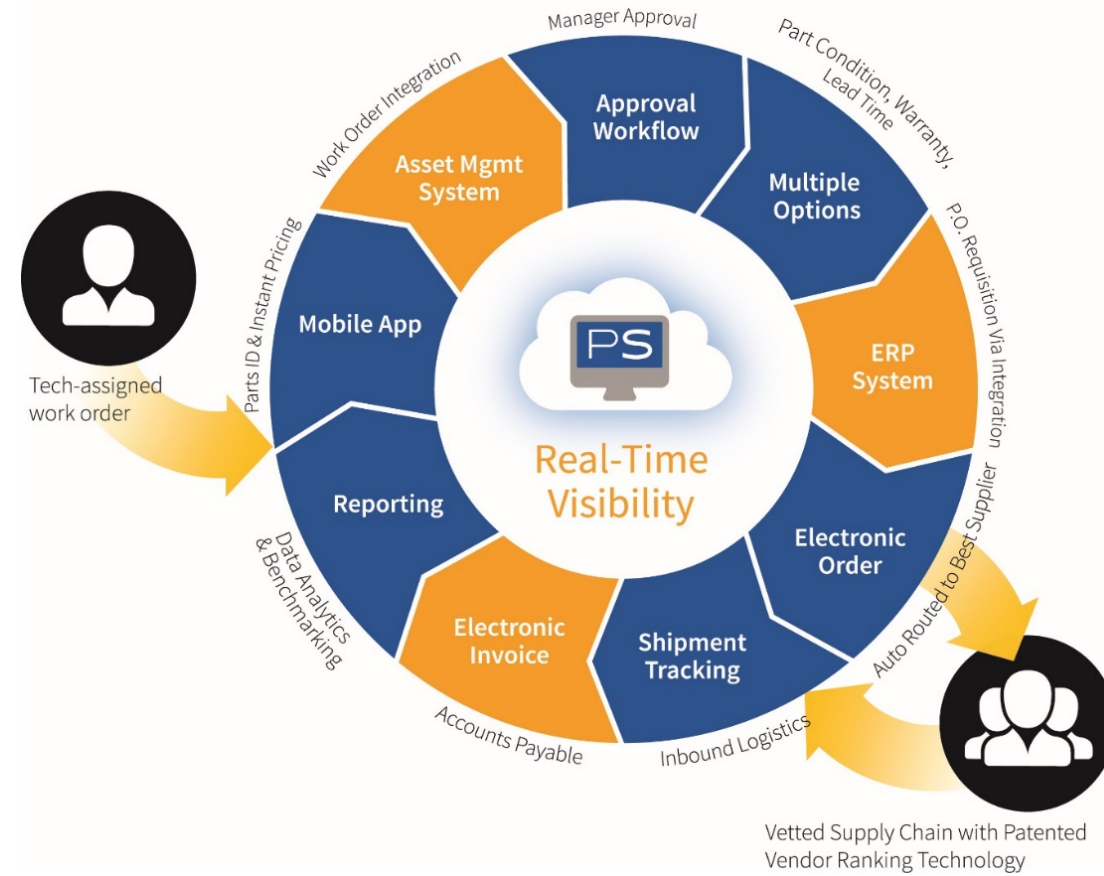
Out for Delivery

- **MONDAY, JUNE 11 1:30PM**
Order placed
- **TUESDAY, JUNE 12 2:30PM**
PartsSource fulfillment
- **WEDNESDAY, JUNE 13 1:30PM**
Supplier fulfillment
- **THURSDAY, JUNE 14 8:30AM**
Package has left seller facility and is in transit to carrier
- **THURSDAY, JUNE 14 10:30AM**
Shipment arrived at FedEx facility
Wichita, Kansas
- **THURSDAY, JUNE 14 3:30PM**
Shipment departed at FedEx facility
Wichita, Kansas
- **FRIDAY, JUNE 15 11:00AM**
Shipment arrived at FedEx facility
Thoreau, New Mexico

Technology-driven process standardization

Working Faster and Smarter

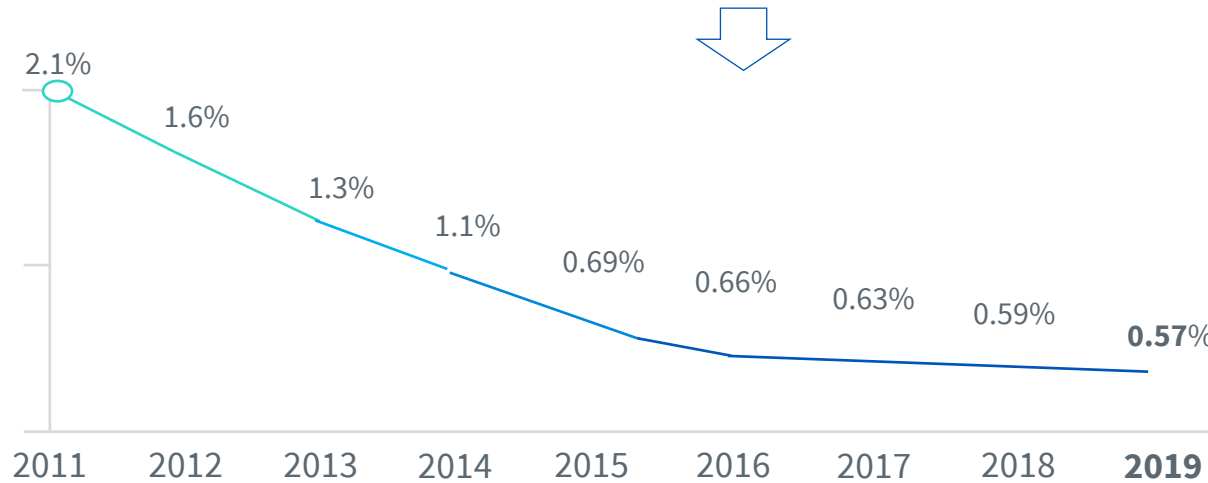
- Critical data from CMMS
- Intelligent workflow routing
- Integrated policy preferences
- Touchless order fulfillment
- SmartQueue order monitoring
- Real-time shipment status
- Exchange monitoring
- Order Reconciliation



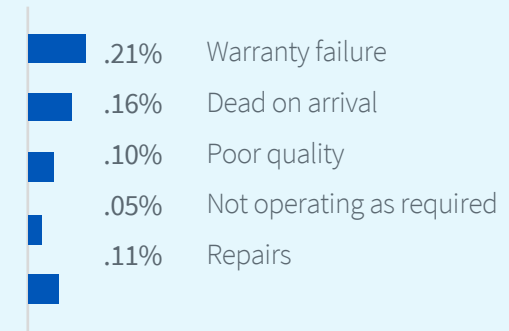
PRECISION Procurement™ Quality Impact

Focused on the people, process, and technology to deliver reliable and reproducible quality outcomes and performance for your health system.

Overall Quality Return Rate



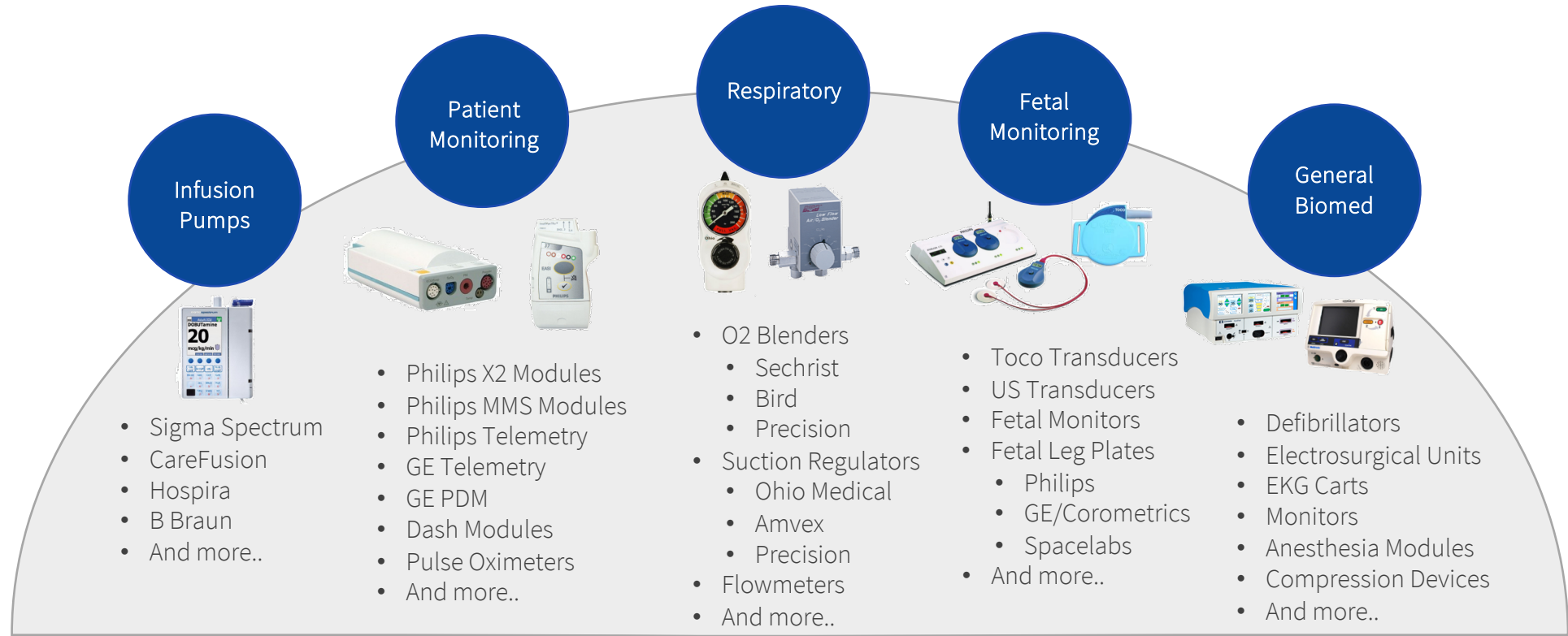
Returns Measured



PRECISION Procurement® dramatically improves quality, reducing returns and yielding days of uptime annually.

Expand Your Team's Capacity with Depot Repair

Your trusted partner in ensuring equipment is repaired right and returned fast, at a budget-friendly price.



PARTSOURCE®



Longitudinal Analysis

Guy Mansueto, SVP CMO

Longitudinal Analysis of Cost, Quality, Price Discrepancy in Clinical Engineering Repair Parts Spend Across the United States

From a recently completed study across over 90 health systems in the US, representing 100,000 beds and over 500,000 purchase transactions, the following conclusions were identified:

- Health Systems are **spending 10%-30% more** than best-in-class on medical device repair and replacement parts.
- Most health systems must source, order, manage and reconcile from **200-700 different suppliers**.
- Based on multiple time-in-motion studies at leading medical centers, the average medical replacement part order takes **80 minutes** to source, track, receive and reconcile.
- Health systems without quality control surveillance tools experience product defect rates **6x worse** than others.

Typical Profile of Order History Across Provider Sample

A. Average Number of Suppliers Managed by Providers = 202

Under 1000 Beds = 161 Max = 1327
Over 1000 Beds = 298 Max = 935

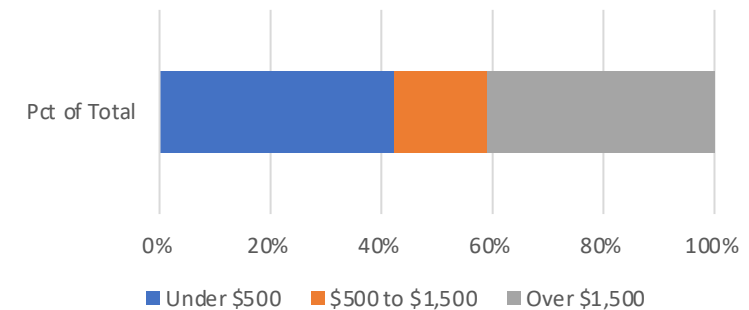
B. Average Order Price Stratification:

Under \$500 = 88% of spend
\$500-1500 = 8%
Over \$1500 = 4%

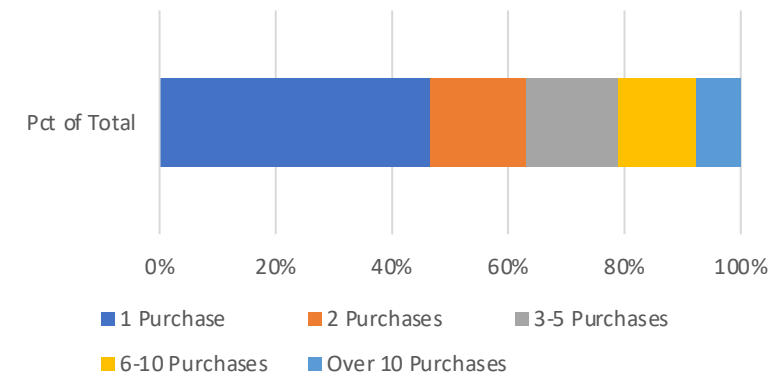
C. Order Frequency Stratification:

Item Ordered 1-2 : 64% of spend
Item Ordered 3-5 times : 16%
Item Ordered 6-10 times : 13%
Item Ordered 11+ times : 8%

Average Order Price Stratification



Order Frequency Stratification

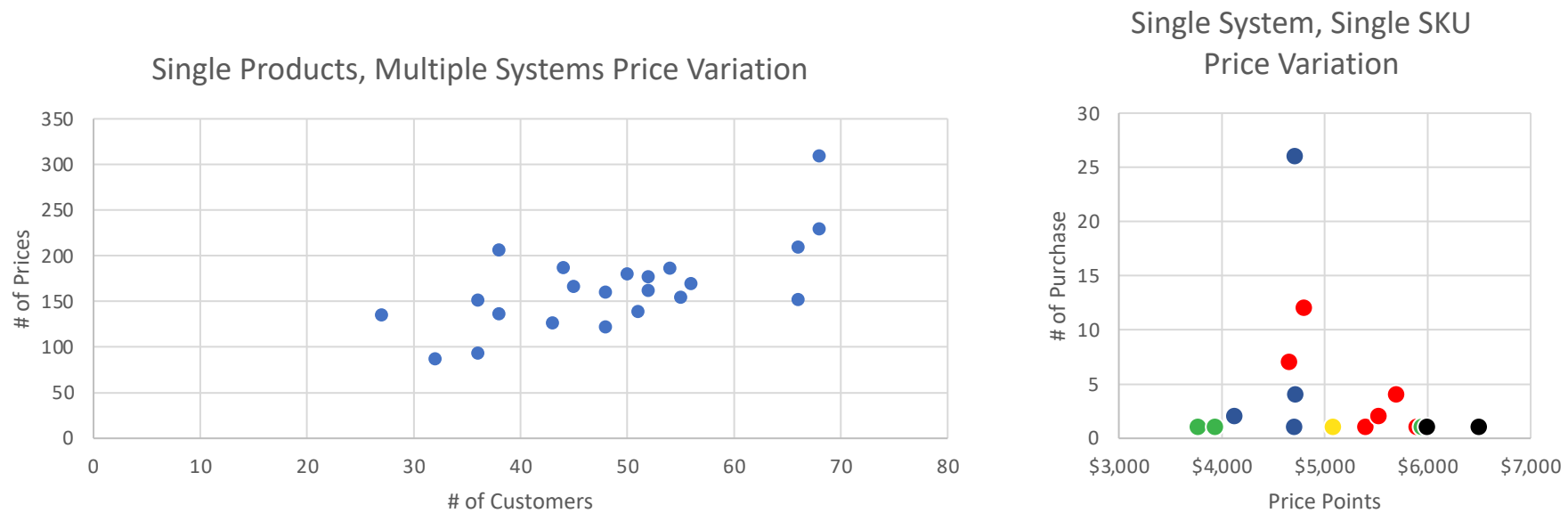


Degree of Price Variance Across Provider Sample

A. Health Systems who experienced multiple different prices for the exact same good (SKU) = 90%

B. Between Health Systems, variance on individual SKU is Significant (lower-left)

C. Within Health Systems, variance on individual SKU is Significant (lower-right)

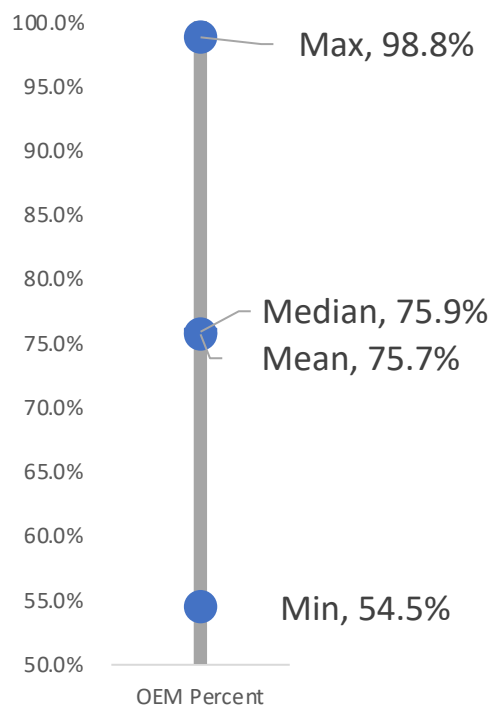


Significant price compliance waste noted at most health systems, with high variation BETWEEN and WITHIN health systems

Supply Chain Variation - OEM vs. Aftermarket Product Mix

Supplier type shows the percentage of orders that are direct from OEM vs. alternative suppliers. Alternative suppliers usually offer higher savings, but quality must be monitored systematically.

N97 Cohort – High Variance Across Networks



Midwestern IDN – High Variance Within Network

Facility	Spend \$ OEM %	Spend \$ Alternative %
Clinic 1	0%	100%
Clinic 2	13%	87%
Clinic 3	20%	80%
Clinic 4	23%	77%
Hospital 1	32%	68%
Hospital 2	41%	59%
Hospital 3	48%	52%
Hospital 4	54%	46%
Hospital 5	55%	45%
Hospital 6	64%	36%
Hospital 7	72%	28%
Hospital 8	83%	17%
Hospital 9	91%	9%
Hospital 10	93%	7%

Significant variance on OEM vs non-OEM suggests interest but inadequate standardized evidence and policy enforcement tools

Time-In-Motion Study

Objective: Determine time intervals for key inputs to order entry, order management and order reconciliation process for medical replacement parts.

Methodology: Time motion study was conducted on-site to measure the elapsed time between six functional areas across 3 distinct health systems. Shadowing occurred to monitor the tasks for each subprocess, where each task was observed and timed.

Outcome 1:

79 minutes (IDN)

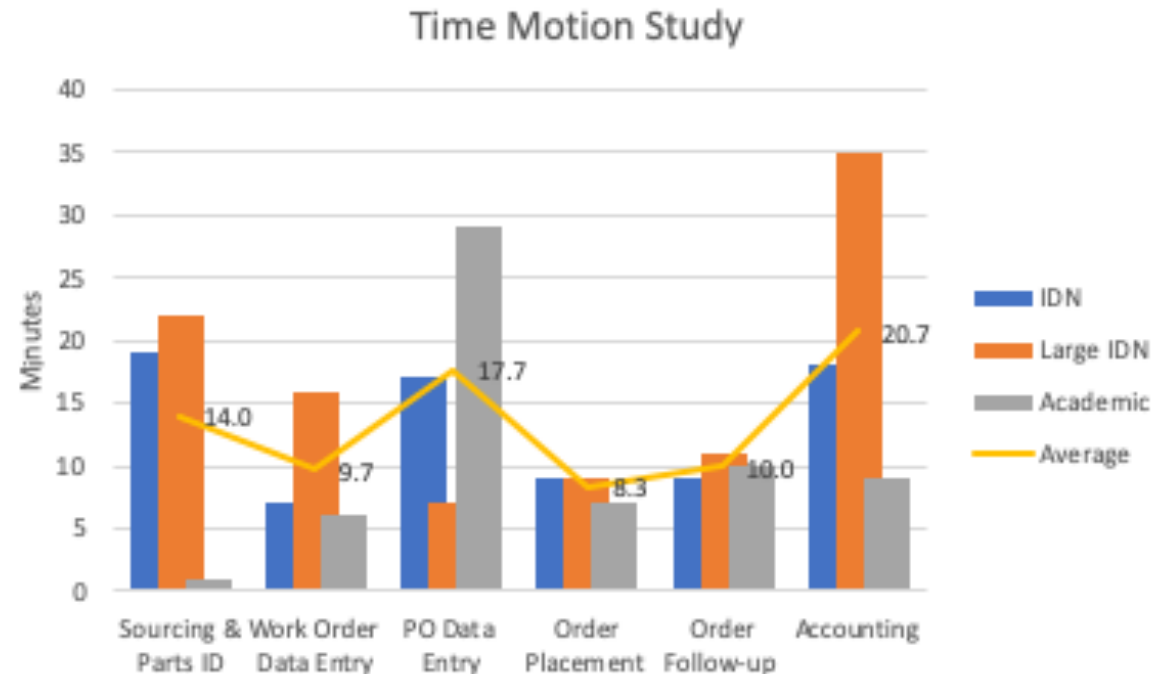
Outcome 2:

100 minutes (Large IDN)

Outcome 3:

62 minutes (Academic)

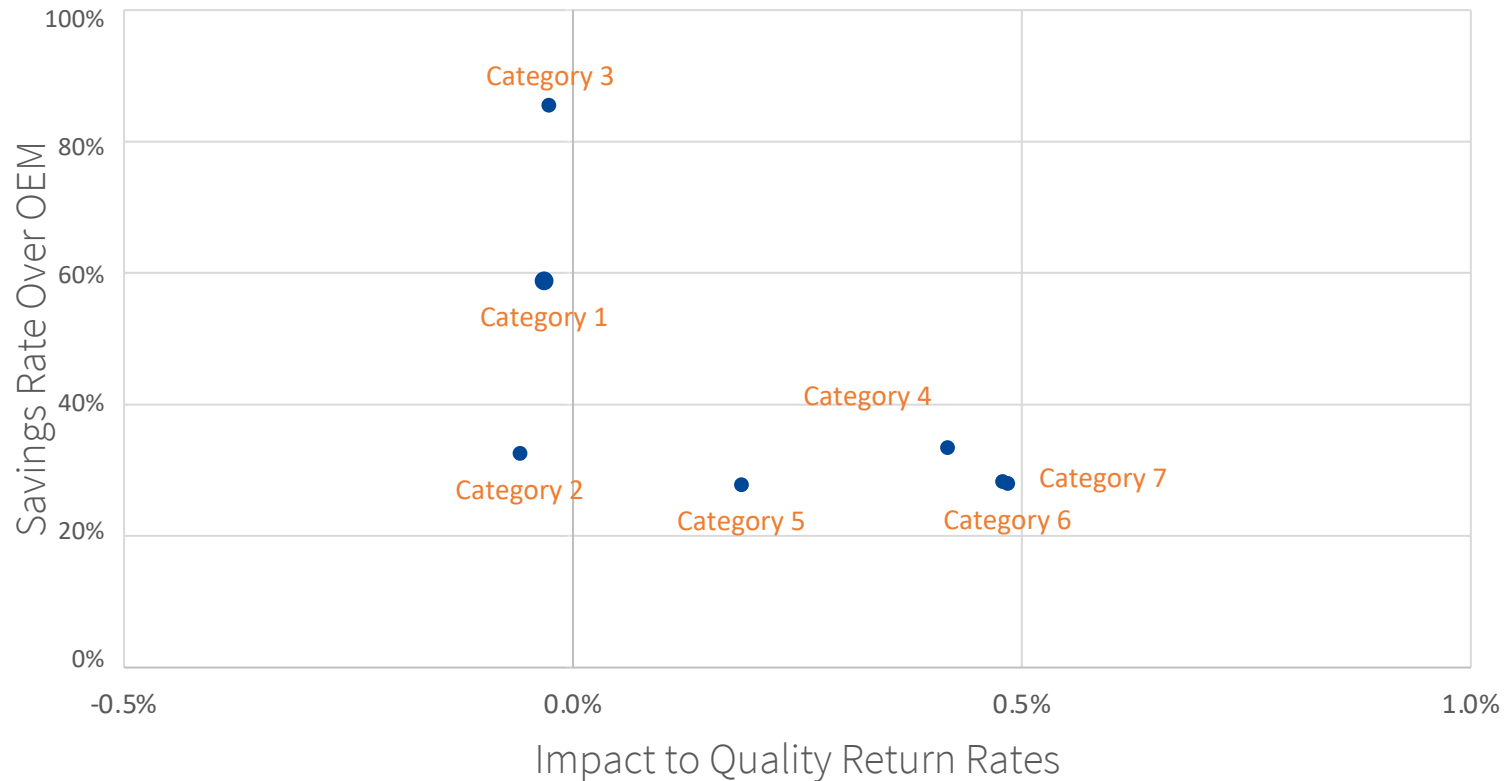
Average: 80.2 minutes



Significant investment of precious time each order, on items ordered infrequently from hundreds of vendors, that represent small dollars

Product Quality vs. Acquisition Price of SKU Trade-off

- \$1.3B of Spend Analytics Data Across 2,000,000 orders in Data Warehouse
- Data is merged with 16 years of Supplier Quality Data across 5,000 vendors



PARTSOURCE®



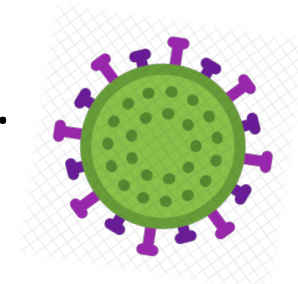
PartsSource to PartsSource PRO

Guy Mansueto, SVP CMO

Implications of COVID-19

The changing world of healthcare technology management

How Covid-19 Has Accelerated Existing Trends...



- ❑ moving toward telemedicine (legal impediments largely have been removed)
- ❑ technical capabilities (ability to diagnose & treat patients) have increased and are experiencing more widespread use
 - ✓ improvements in remote monitoring & examination
 - ✓ improvements in home treatment using new technologies
 - ✓ improvements in robotics
- ❑ technical capabilities for device management (e.g., update, monitor logs, troubleshoot)

Capital Equipment Maintenance and Utilization Matter More Than Ever



Control Costs and Reducing Variance

Consolidate vendors, eliminate site-to-site variability, and implement data-driven control mechanisms

ECG Assembly



Part # 2019106-007
MAC 500 ECG Display

25 Orders @ 8 Sites

9 Prices @ 7 Vendors

200% Variance

PartSource savings >\$33,000

Infusion Part



Part # 143715-100
Infusion Pump Pressure Sensor

375 Orders @ 6 Sites

6 Prices @ 5 Vendors

72% Variance

PartSource savings >\$17,000

Depot Repair



Philips MX40 Holter Monitor

255 Orders @ 12 Sites

14 Prices @ 12 Vendors

350% Variance

PartSource savings >\$55,000

PartsSource PRO Expansion: Over 1000 Hospitals in 3 years



AdvocateAuroraHealth



Memorial Sloan Kettering
Cancer Center



Enterprise Tools to Drive Policy and Compliance

Approval Workflow, Notifications, Formulary & Analytics

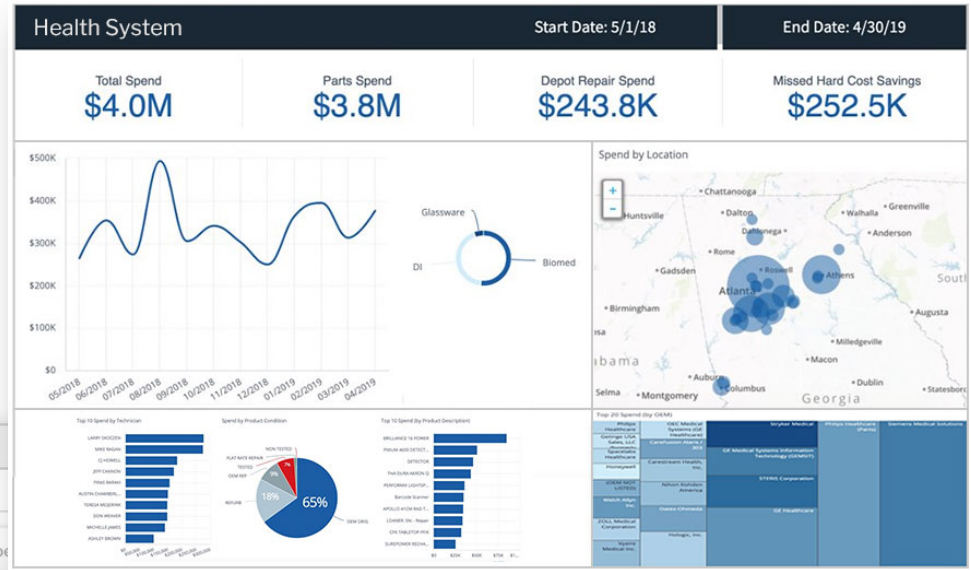
combine to produce best-in-class quality and operational performance

Formulary Management

- Apply rules for the greatest impact by SKU and/or category
- Manage exceptions with approval tracking

Visual Analytics

- Access real-time insights to see trends in spend by technician, manufacturer and product type
- Measure and improve quality with dynamic drill-down capabilities and trending location data



PARTSSOURCE All Search Keyword or Item Number

Departments Browsing History Buy It

Home > Cables > SpO2 > "ds100a"

Back to results

BUYING OPTIONS:

Replacement Outright Purchase PS#: 658945123 Preferred Choice	\$86.70
OEM Original Outright Purchase OEM#: DS100A PS#: 651684205 Approval Required	\$122.40 / each

BUYING OPTIONS:

Replacement Outright Purchase
PS#: 658945123
Preferred Choice

OEM Original Outright Purchase

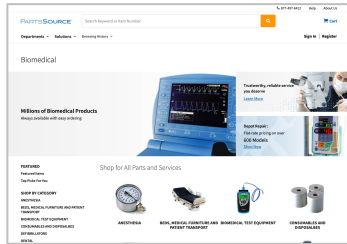
Your Price: **\$86.70** / each
\$250.00 Savings: \$163.30 (65%)
Next day delivery available if ordered by 4:30 PM EST

Asset Information

Qty: 1

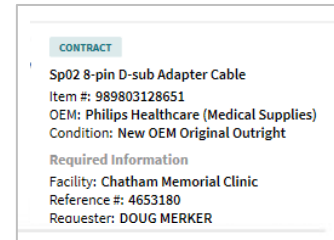
PartsSource PRO: Capabilities unique in the marketplace

Deliver a reliable and reproducible outcomes, critical to high-quality, cost-effective care delivery for healthcare's leading providers



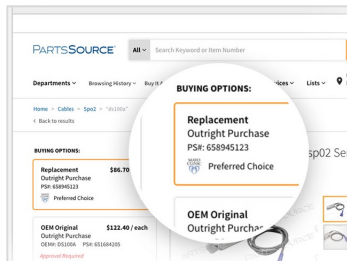
eCommerce Procure to Pay

- Enterprise procurement cloud platform
- Integration to ERP, EDI and CMMS
- Digitized approval workflow, advance shipping notifications, PO management



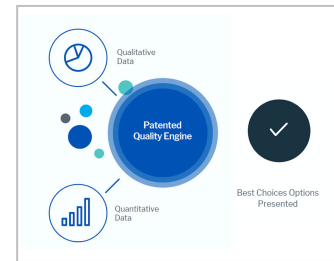
Sourcing & Contract Management

- Local contract integration
- 24/7 rapid response sourcing
- Secure, controlled supply environment



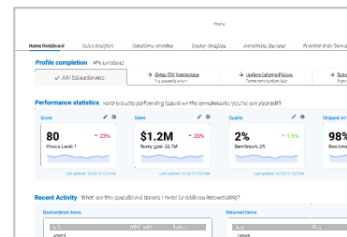
Decision Support & Formulary

- Product & labor analysis
- Patented decision support method
- Enterprise purchase policy tools



Quality Management

- Active supplier audits, full supply chain traceability
- Risk surveillance and root cause analysis
- ISO 9001 / 13485 certified



Category & Supplier Management

- Impact analysis and category expansion
- Active strategic sourcing
- Guaranteed stock program



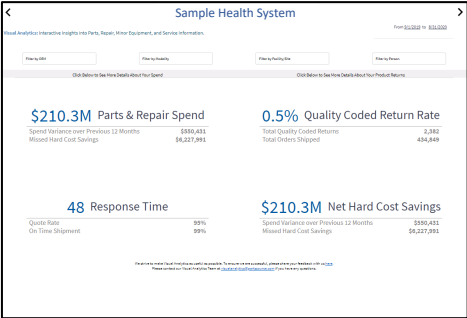
Visual Analytics & Performance Insights

- Data visualization
- Enterprise supplier performance metrics
- Missed savings opportunities

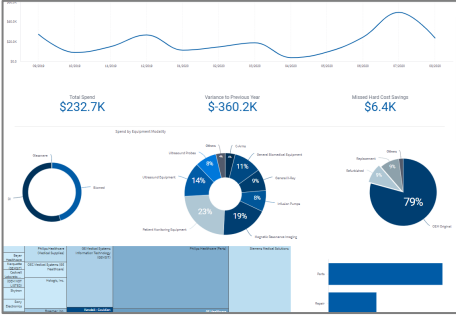
PartsSource Visual Analytics™

Drive data-driven performance

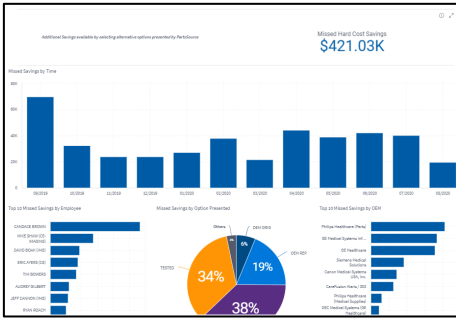
Program Summary



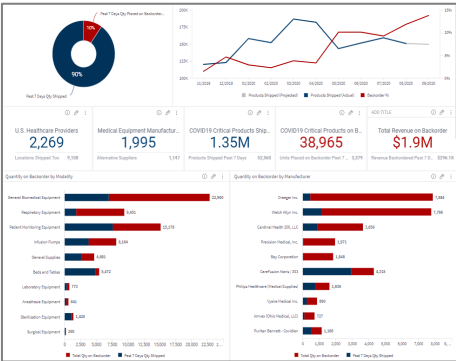
Tech Productivity



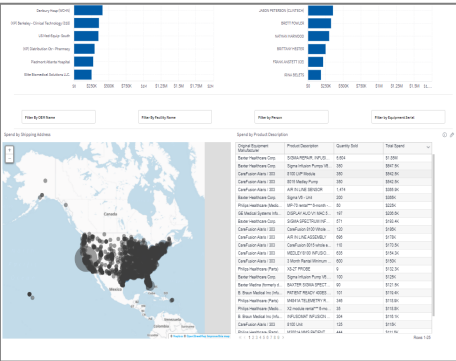
Cost Optimization



Parts & Service Quality Metrics



Shipping Optimization Metrics



Change Management Metrics



Outcomes we are achieving with PartsSource PRO

Our evidence-based platform and service helps Clinical Engineering modernize their approach to maximize capital asset uptime, increase productivity, and accelerate quality patient care.

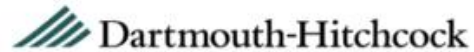


Workflow Savings

Workflow improvements consolidate vendor activity, yielding an hour per day of potential new impact

85

Minutes saved per day per purchaser



Quality Improvements

Improve quality by 6x, reducing quality driven returns and improving uptime

6x

Lower return rates



Cost Reduction

Savings grow as new members join and fewer service contracts signed

15%+

Annual cost reduction

PARTSOURCE®



Introducing On Demand Service – Partnering with OEMs and ISOs

Guy Mansueto, SVP CMO

On-Site Service Overview



<https://www.youtube.com/watch?v=jHnwkhWcbdM&feature=youtu.be>

The PartsSource Service Network

PARTSOURCE®

81 Unique Service Partner Relationships
ISO's, OEM's and 3rd Party Providers



Extensive Network
Over 1100 Specialists with
complete credentials available

800+ Imaging specialists
300+ Biomed specialists



Fully Certified
Certified, trained service
specialists on over 35 Modalities

Extremely strong presence in CT,
MRI, X-Ray, US and C-Arms

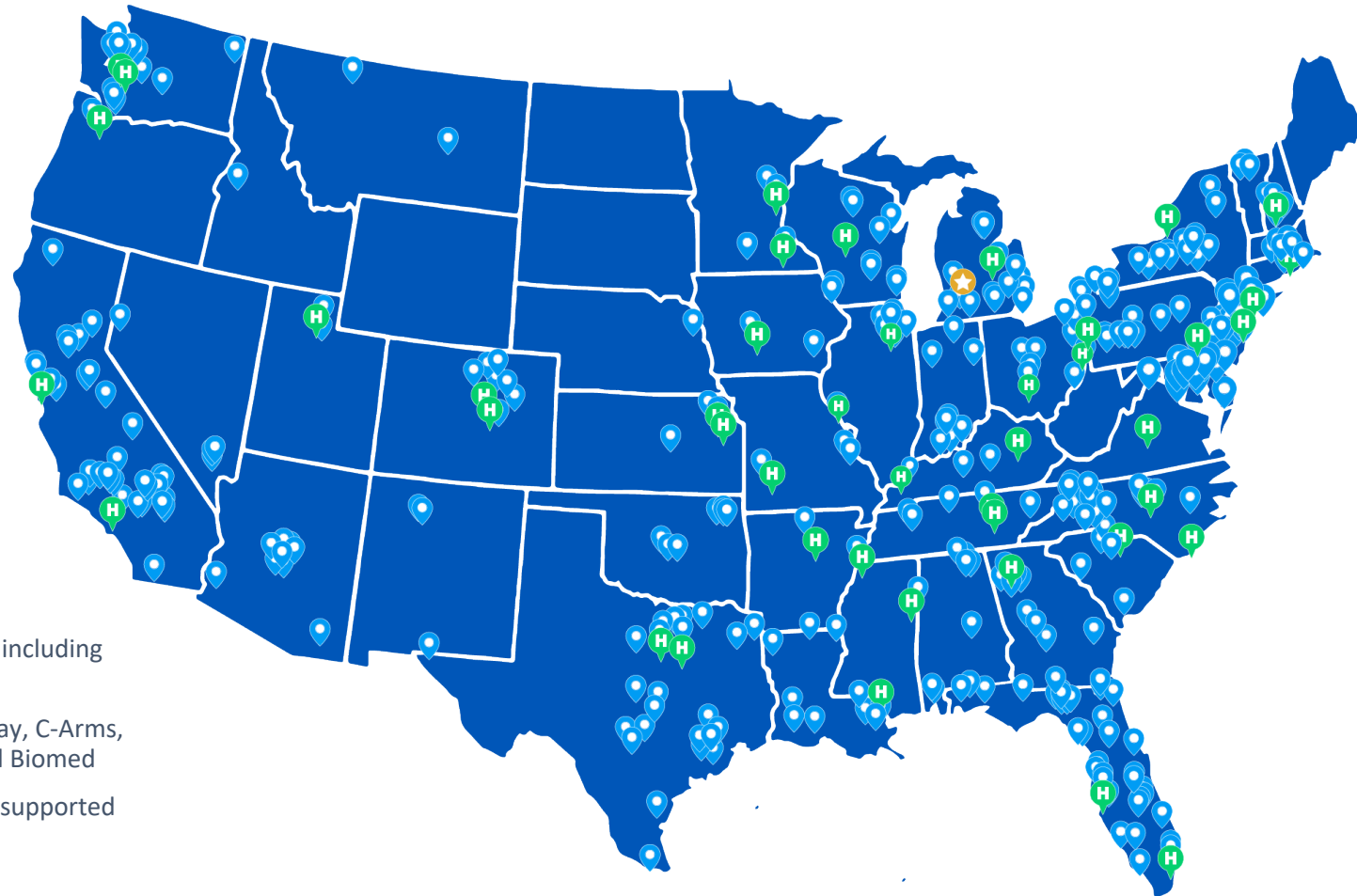


Strong Coverage
Coverage across entire
United States

All Pro customers have multiple
specialists a car ride away

The Industry's Largest On Demand Service Network

Largest ISO and OEM National Service Network in the industry!!!




- Pre-qualified Service Specialists including OEMs
- Strong coverage in CT, MRI, X-Ray, C-Arms, Cath/Angio, Mammography and Biomed
- Most major metropolitan areas supported with local Service Specialists

PRECISION Procurement[®] Decision Support

- Data-driven decision support
- Patent-pending service specialist selection algorithm
- Performance-driven solution

We are excited to provide you with this Partsource On-site Service Solution. Below you will find the Service Specialist we have identified through PRECISION™ Procurement, our proprietary service partner quality ranking module. We have also included the details of your request for your convenience.



Service Specialist
Customer Satisfaction Score
4.5 ★★★★★

Irvine, CA 92614

More than 20yrs
15-20yrs
10-15yrs of Experience
5-10yrs
Less than 5yrs

Specialties CT, MR, NM lorem ipsum dolors

Certifications 9001

Training GE, RSTI

Recent Work
2 Similar Jobs Performed
Recent Work Completed: Ohio Health, Cleveland Clinic, University Hospitals

REFERENCE #: 345678 DATE ENTERED 06/02/2020

Service Specialist Arrival mm/dd/yy @ hh:mm am/pm

\$350.00 Flat Rate [ADD TO CART](#)


Flat rate includes travel cost


Scope of Work to Be Performed: **Valve to be replaced, testing and cleanup.** Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt.


Additional Service Event Information: **Additional parts needed for work done outside of quoted scope will be over and above the price quoted.**


Please approve your quote by 5pm EST to lock in your Service Specialist and to get service within the time-frame requested.

Partsource Service Commitment



 **Top-rated Professionals**
Our Specialist are found with PRECISION™ Procurement, our proprietary quality ranking module.

 **Faster. Smarter. Automated.**
Our automated process means you'll receive the best resources at the best prices in the least amount of time.

 **We Fit Your Workflow**
Our entire process is centered around finding the best solutions for you.

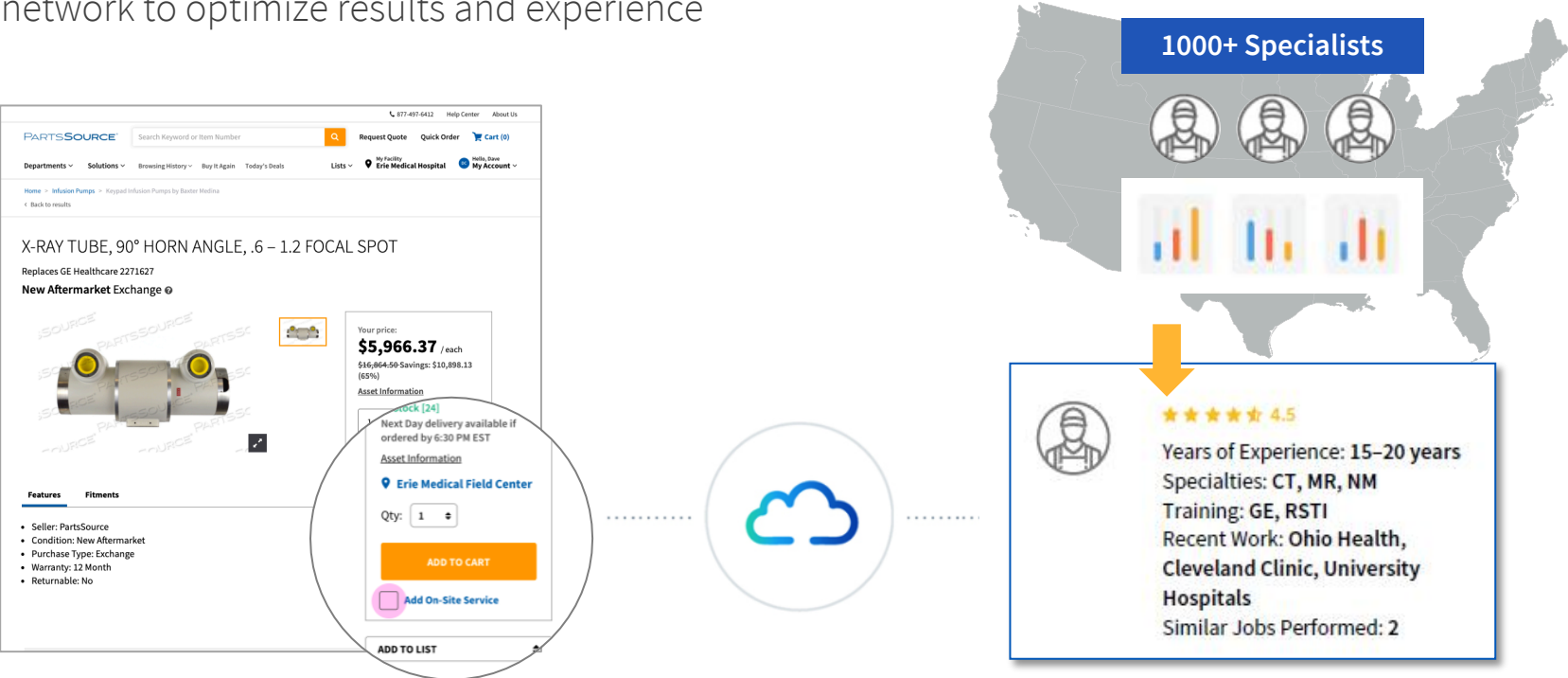
 **Quality Built-In**
Our proprietary quality ranking makes sure the job gets done correctly the first time.

Asset Information [Add/Edit](#)
Category: CT
OEM: Siemens Medical

 **Attachments (1)**
 **Notes (4)**

On-Site Service: Your connection to better service is here

Select the best pre-qualified service specialists from our performance-driven national network to optimize results and experience



Driven by our proprietary evidence-based selection algorithm powered by PRECISION Procurement leveraging quality, performance, customer satisfaction & behavioral metrics.

SUMMARY: Expanding Your Capacity with On-Demand Service



Evidence-based

Single platform for Parts and Services ensures quality and ease of use



Extensive Network

Over 1100 pre-qualified Service Specialists reduces risk



Automated

Concierge management and digital oversight delivers results



Thank you from PartsSource

Guy Mansueto, SVP & Chief Marketing Officer
gmansueto@partssource.com | (866) 544-6212

Samantha Dzembo, Business Development Director
sdzembo@partssource.com | (941) 421-2503

Q/A