



In March 2004, President George W. Bush and U.S. Secretary of Commerce Donald Evans presented the 2003 Malcolm Baldrige National Quality Award (MBNQA) to MEDRAD, Inc. (Indianola, Pennsylvania), a worldwide leading provider of medical devices and services that enable and enhance imaging procedures of the human body. While the award's evaluation criteria cover all aspects of company performance, the MBNQA emphasized the importance of MEDRAD's initiatives surrounding "supplier relationships" as a key ingredient to the company's overall stellar performance.

"Strong, effective supplier management is vital to manufacture of world-class medical devices. Fortunately, our company culture is very team-oriented and collaborative in nature, both internally and with our suppliers," explains Eddy Guarascio, Manager of Corporate Procurement at MEDRAD, Inc. Pete Ochel, Executive Director of Procurement at MEDRAD Inc. elaborates. "Most of what we buy is highly-complex, highly-engineered parts. This necessitates early supplier involvement and unique, long-term supplier relationships."

Guarascio believes a successful supplier relationship commences with a rigorous supplier selection and qualification process to assure selection of the very best suppliers. The strategy is strengthened with numerous supplier initiatives, including an effective Supplier Performance Scorecard, Supplier Day Conferences, periodic business and design reviews, co-location, hotel cubes, collaborative training, etc. Further, it's very beneficial that MEDRAD President and CEO John Friel and Senior VP of Operations Jim Kessing actively support and participate in supplier relations. The result of a solid supplier relationship program is significant improvement in overall supplier performance, greatly reduced costs, and enhanced involvement in new product development and growth initiatives.

MEDRAD has been recognized as one of the top five diagnostic imaging companies by *Medical Imaging* magazine and was selected as one of *Forbes* magazine's top 200 companies in the United States. An award program aimed at retaining and attracting Pennsylvania's workforce has selected MEDRAD as one of the 100 Best Places to Work in Pennsylvania and ranked it as the highest-ranking large company in Allegheny County.

The Institute for Supply Management™ (ISM) was founded in 1915 and is the largest supply management association in the world as well as one of the most respected. ISM's mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education. The Pittsburgh affiliate of the Institute for Supply Management (ISM-Pittsburgh) is pleased to recognize the success of MEDRAD, Inc. in the area of supplier relationship management.

ISM-Pittsburgh also supports the recently released ISM Position Statement on "Supply Management Input~Critical To Business Success". ISM believes that "Because of the important impact of supply management on business results, the top supply management professional should be recognized as a key source of input and included in the overall business strategy development".

Purchasing is still at the core of supply management. However, new and evolving roles are being called for to meet the need for a more strategic approach to the role within business and the increasingly competitive environment. Strategic supply management provides that "edge". It is estimated that 50% to 70% of an organization's total cost comes from external purchase of goods and services. The efficient flow of materials, supplies, and services at the right time and place streamlines the process and can significantly reduce cost.

ISM-Pittsburgh strives to meet all of the professional development and networking needs of our supply management members while serving the greater business community. We represent over 700 members in the Greater Pittsburgh Region. To learn more about our organization, contact us at www.ism-pittsburgh.org.

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