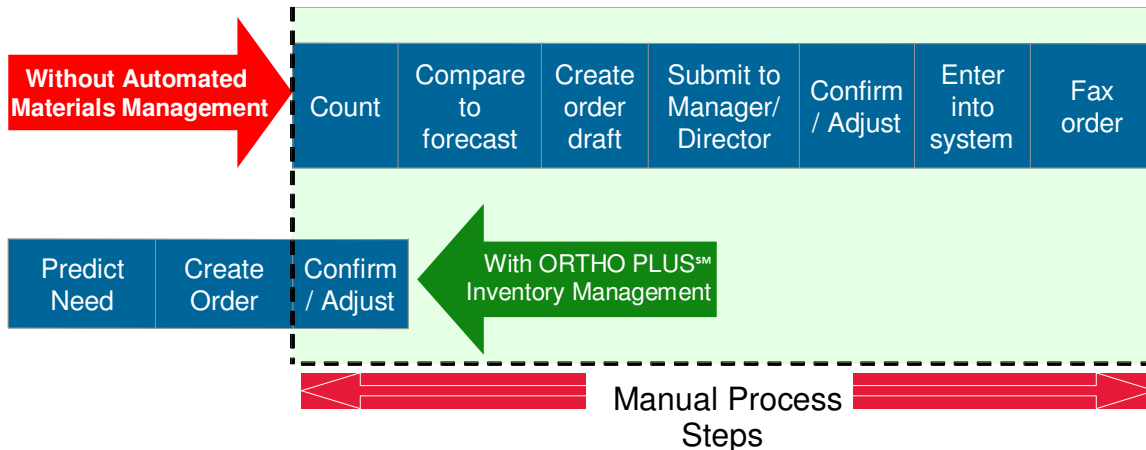


ORTHO PLUSSM Inventory Management shows sustained gains

Ortho Clinical Diagnostics leverages secure e-ConnectivityTM Technology to ensure optimal on-hand inventory



The ORTHO PLUSSM Inventory Management solution moves laboratories from *Count/Fix/Order*, resulting in errors and over-or under-stocking of critical supplies, to *Predict/Order* resulting in a dramatic change in how inventory is managed and delivered.

Ortho Clinical Diagnostics continues to expand its value-based solutions for laboratories with ORTHO PLUSSM Inventory Management, a solution proven to reduce manual inventory activities and lower costs.

The ORTHO PLUSSM Inventory Management Service is a logical extension of Ortho Clinical Diagnostics' "connected" laboratory support services. Introduced in 2005, e-ConnectivityTM Technology ushered in a new age of communications between laboratories and support specialists at one of three remote monitoring sites around the world.

With customer permission, technical experts can access analyzers directly to predict service needs, reduce troubleshooting time and automate the delivery of system updates – all without disruptions to sample processing.

In extensive piloting at customer laboratories, ORTHO PLUSSM Inventory Management has already yielded substantial outcomes:

- Reduced on-hand inventory levels
- Lower storage space requirements
- Shorter turnaround time for orders
- More predictable order quantities and expenses from month to month
- Standardized processes within or across multiple facilities
- Reduced variability and errors

Solving Chronic Inventory Problems

Inventory management has long presented challenges for laboratories, distracting highly trained personnel from high value diagnostic work. The simple imperative -- keep an adequate quantity of reagents and supplies to meet testing

demand – becomes a burden when it requires constant manual counting and time-consuming order preparation.

“We used to spend hours counting inventory in various locations in the lab each month,” said a Director of Laboratory Services at a large hospital that has implemented the ORTHO PLUSSM Inventory Management Service. “And because we’d let stock of certain reagents get too low, we often overcompensated by ordering too much product.”

ORTHO PLUSSM Inventory Management supplements the laboratory staff’s ability to meet these challenges with a dedicated, electronic watchdog for inventory. Combining a secure, direct channel into Ortho Clinical Diagnostics analyzers with a customizable software dashboard, the system records usage and automatically generates reorder recommendations for review by lab managers. Once approved, orders are electronically communicated to Ortho Clinical Diagnostics.

This streamlined process helps customers optimize inventory levels, prevents shortages and overstocking, and better regulates the flow of orders to reduce rush charges. In pilots, the Inventory Management solution reduced shipping charges by an average of 20 percent and total orders placed by 29 percent.*

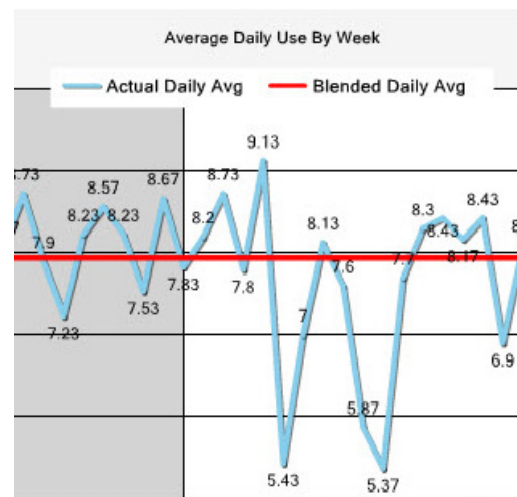
Flexible, customizable software puts labs in control

Ortho Clinical Diagnostics designed the system to be easy to use, flexible, customizable and under full control of lab staff. The Inventory Management

interface lets laboratory managers build a customized inventory dashboard for viewing supply use within a single facility or across multiple sites within the same healthcare organization.

The ability to adjust orders before submission to Ortho Clinical Diagnostics enables the organization to have more control over the process, especially when managing inventory across geographically dispersed facilities.

Customer: All Sites
Reagent: Anti-HAV IgM Reagent Pack - 500 Wells
Weeks: 52 Weeks



Example of usage across multiple sites: provides flexibility for centralized or decentralized planning and control.

Remote access to the software from any secure, Web-connected PC or smart phone keeps busy laboratory professionals up to date.

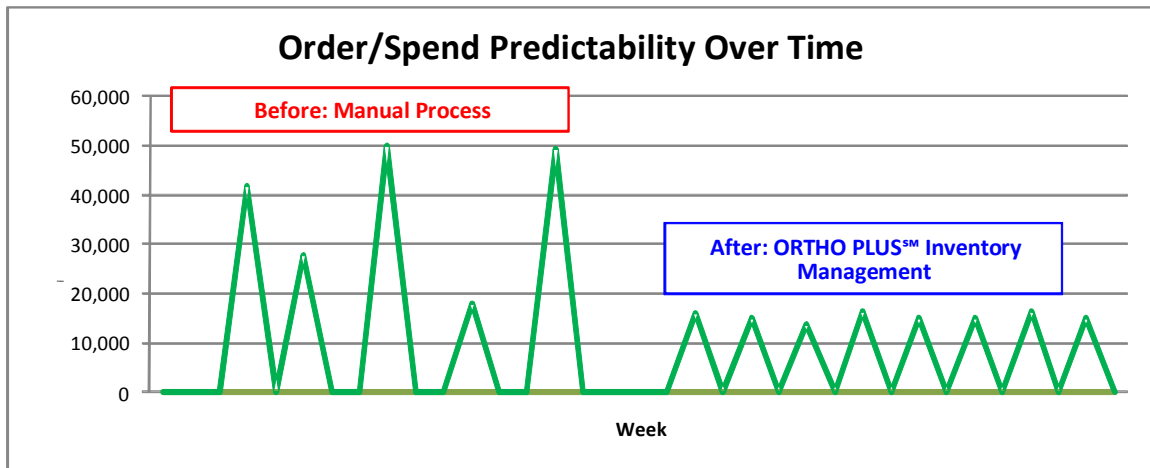
“The predictive alerts are helpful because they are a friendly reminder to take action, so I don’t reach an out of inventory event. I can get these alerts daily via e-mail or while away from the office, downloaded to my Blackberry[®]”, noted Director of Laboratory Services at a large multi-site facility.

Bringing predictability to inventory management

In pilot testing (over 20 facilities to date), another theme kept cropping up: the need for predictability. Laboratories operating within steady monthly budgets need to avoid spikes in orders driven by

a lack of visibility into inventory consumption.

“Most of us are accountable for staying within a month-to-month budget,” notes a Director of Laboratory Services. “It’s a relief now to attend the monthly budget reviews, knowing we are meeting expectations.”



Prior to implementing Ortho Clinical Diagnostics’ ORTHO PLUSSM Inventory Management, a laboratory’s order pattern is marked by wild swings and periodic budget-busting months. Post implementation, orders have become highly predictable month to month, simplifying budgeting tasks.

At the ORTHO PLUSSM Inventory Management installations evaluated by Ortho Clinical Diagnostics, inventory on-hand and monthly variations in spending fell by 50 percent.*

“The ORTHO PLUSSM Inventory Management replenishment process has delivered significant inventory and space reductions, providing an effective Lean solution for reagent and consumable ordering,” said the Director of Corporate Procurement at one of the pilot sites. “We feel it has simplified doing business with Ortho Clinical Diagnostics.”

The Inventory Management Service has also helped reduce staff hours devoted to inventory tasks. A study at one site found that the hands-on time from the start of a manual inventory count through generation of an order fell from 2.8 hours on average to about 30 minutes* – and this improvement did not include the time when the manual process was halted to “wait” between steps.

ORTHO PLUSSM Inventory Management eliminates wait time between steps, because counts are automatically uploaded each day and recommendations can be edited and approved remotely. As a result, order cycle times are

compressed: one Inventory Management-equipped facility reduced turnaround from order initiation to product receipt from 10-12 days to 6-7 days on average.*

For staff at both large multi- and single-site facilities, the Inventory Management

Service builds confidence that inventory will be available when needed.

Most importantly, laboratories that have implemented the ORTHO PLUSSM Inventory Management solution have reduced inventory costs while achieving their most important goal – service to their end customer.

ORTHO PLUSSM Inventory Management Snapshot

LABORATORY GOALS

- Minimize errors caused by manual inventory tasks (counting, order preparation, receiving)
- Support predictable order patterns to reduce spend variability against fixed budgets
- Reduce inventory on hand, stock outs, overstock, and waste

KEY RESULTS*

- Variation in monthly spend reduced by an average of 50%
- Processes standardized, minimizing errors and re-work
- Space required for supply storage reduced by an average of 30%
- Value of inventory on hand reduced by \$14,000 – \$170,000

*Results reported reflect data specific to 25 pilot facilities surveyed, data on file. Individual laboratory results will vary.