Medical Musings: Integrate supply chains in the USA

By Doug Smock
Published: June 28th, 2013

My colleagues John Clark and Clare Goldsberry wrote this week of one of the extreme perils of manufacturing in China—the potential for being imprisoned by your own employees while government officials look the other way.

Security of supply chain is an issue of growing importance, particularly for companies producing products for the medical market, as was the sad sack CEO peering out of a window with bars.

A decision to move injection molding from China to India seemed to be the incident that precipitated the employee insurrection, according to press reports.

In recent conversations with Jeff Somple, president of Mack Molding's Northern Operations, I have been struck by an alternative scenario available to medical device manufacturers.

The supply chain in Mack's Arlington, VT manufacturing plant is contained to an amazing extent under one roof. The company does injection molding, component machining, sheet metal fabrication, assembly and other manufacturing operations at a single site.

"What makes us unique is that these parts are being brought into the assembly area by hand trucks and lift trucks, while our competitors are bringing parts in by trucks, ships and planes," says Somple.

For one of its newest products, the Inovus solar-powered light pole, Mack's contract manufacturing services include machining, sheet metal fabrication, printed circuit board assembly by its sister division, Mack Technologies, supply chain management, prototyping, final programming, 100% electronic and functional testing, and total product manufacturing.

Mack manufactured parts and assembled a blender with 400 parts and 75 suppliers. It is doing contract manufacturing on 18 components in a newly developed sedation system from J&J.

Other top-tier medical manufacturers such as Phillips-Medisize (Hudson, WI) have also greatly expanded their supply chain and contract manufacturing services.

The emphasis on wide-ranging services for the medical market was part of a turnaround for Mack after the computer and electronics markets crashed around 2001. Somple says he wanted to make the group "China-proof".

It's a strategy that can also keep you out of jail.

Average:

Your rating: None Average: 5 (1 vote)

Good ol' fashioned vertical
Submitted by tdeligio on June 28, 2013 - 3:59pm.

Good ol' fashioned vertical integration, fancy that.

there is a good deal of inherent logic in bringing key operations under your own roof. I know companies for a while talked about shedding "non-core" assets and capabilities, but if at the end of the day, you're manufacturing, things like tooling, molding, machining, assembly, et al, are all pretty core.

Login or register to post comments