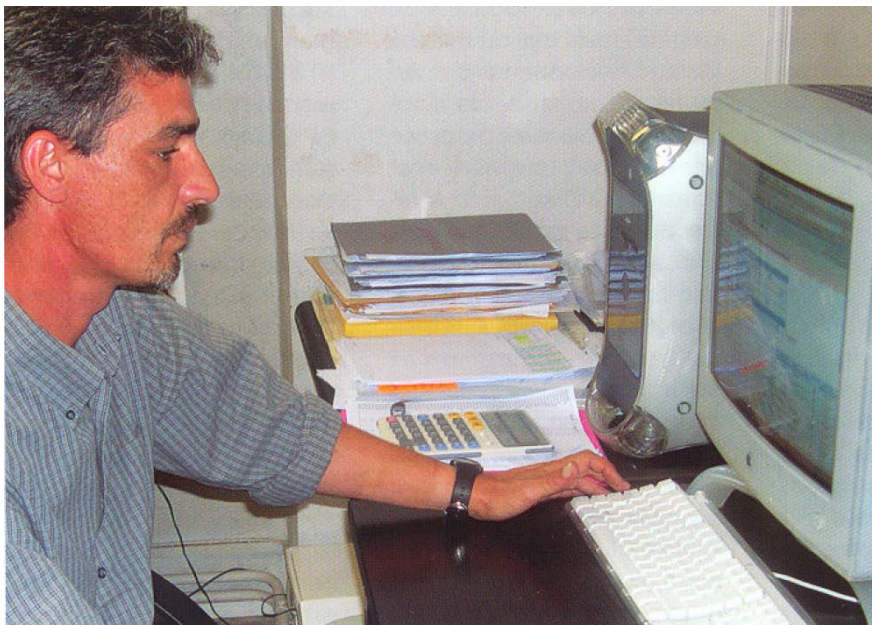


Diagdirect : the ordering portal for the diagnostics industry



After one year of Diagdirect's operation, a portal for placing orders at the disposal of LABMs, we met with one of the member suppliers and user biologists who confirmed the major benefits of this tool, with the only regret of the low number of members to date.

Questions to Denis Ragus, Head of Sales

and Business Administration France - Biomérieux, GIE member

How was Diagdirect created?

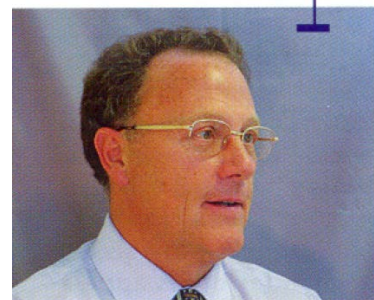
Denis Ragus: The Invitro Diagnostics Industry Syndicate (SFRL) has set up an Economic Interest Grouping (GIE), dedicated to the development and management of an ordering portal for all in vitro diagnostics professionals (private and public laboratories, the pharmaceutical industry and the food industry). This online portal on the Internet is

hosted by Cegedim, a leading company in the field of electronic data interchange (EDI). The objective was to offer biologists, according to a unique and standardized protocol, an interface with each member supplier for placing their orders. The presentation of the screens is the same, regardless of the supplier, this allows the user to find his way around easily. The LABM client is identified at the opening by a login and a password, identical for

all the suppliers, the client is the manager of it, which guarantees the confidentiality of the information. Each supplier maintains its own internal operating system within its sales administration department. To date, the GIE brings together 12 member companies (see site page). The objective is to offer more services to biologists with greater simplicity and efficiency. This is a guarantee of quality in order processing, as there is no

double entry of information. This tool is free of charge for biologists, with multiple possibilities of evolution.

Denis Ragus



What are the main features of this portal?

DR: On the home page, all the functions related to orders, available 24 hours a day, are directly accessible from the menu: consult the supplier catalogue; input an order, display current orders, use a sample order, track orders for traceability, track and modify subscriptions. Orders can be placed either from supplier references or through predefined standard orders (created by the user according to the nature of his needs and organization),



by subscription. The practicability of standard orders is a major asset in the efficiency of the website. The biologist can place online orders in parallel for all member suppliers, resulting in a huge gain in order entry and sources of data entry errors avoided. The suppliers' catalogues are put online with the price lists. Nevertheless, negotiated rates and/or adherence to a purchasing group are processed. The biologist can thus validate, during his order, the displayed prices, which significantly reduces the number of invoicing disputes. At any time, the biologist can view the status of his orders and can track them directly, with the name of the ordering party, the name of the supplier, the delivery and invoicing addresses, the quantity, the dispatch date, the batch number and the expiry date.

He also knows the status of his orders: awaiting emission, awaiting validation, sent, delivered, partially delivered... Upon receipt of the order at the supplier's, a dispatch note is sent to the customer's mailbox with all the information needed to replenish stocks.

Can Diagdirect be interfaced with quality management software, especially stocks?

DR: Yes, Diagdirect is interfaced with two stock management software packages of the market (Astria Développement and Armure). The replenishment request is proposed by the software, then validated and transmitted to Diagdirect. Upon receipt of the goods, thanks to the dispatch note transmitted electronically, the biologist can visually validate the delivery and directly update his stocks. This is a very strong point because it avoids any re-entry of information, it allows the customer to manage by batch number. In the case of certification, the contribution of the solution is recognised.

What are the perspectives of GIE?

DR: Today, we are 12 suppliers and two software companies. Diagdirect handles an average of 1,200 orders per month. This corresponds among our members to about 5% of the turnover of orders from mainly private laboratories. Our objective is to increase the number of member suppliers, to prevent biologists from having to use several ordering systems and to reach the goal of processing nearly 20% of orders by the end of 2005. The GIE is open to other stock management software companies and we are interested in working with hospital management softwares. This will be part of a new challenge. The development of Diagdirect is not finished, we will have to consider the dematerialisation of invoicing, payments... With the confidence of biologists, we, as suppliers, must join forces to offer our customers service tools and improve our administrative productivity to maintain our competitiveness.

Questions to Denis Dignan, Purchasing Manager of GIE Labo-Charentes

Can you remind us in a few words of the history of GIE Labo-Charentes?

Denis Dignan: The GIE was founded in 1984 by Dr. Claude Marotel.

By 1990, it had grown to eight laboratories for which I managed orders and tenders from suppliers. Today, the GIE includes 29 laboratories, grouped around a central purchasing unit, for about 80% of orders. All orders are centralised here at the Saint-Jean d'Angély laboratory, where

the products are stored before being delivered to the GIE's various laboratories. We are equipped with refrigerators and freezers to store the GIE products corresponding to approximately one month of operation. We order either by subscription with bi-monthly deliveries or by direct orders. In 2003, we made 62,000 sales lines for the GIE's laboratories.

How are you organized for orders and deliveries of GIE's LABMs?

DD: I created a database to manage suppliers, stocks (with our own references) and laboratories. I usually receive, by fax, the orders from the GIE laboratories.



Claude Marotel

I centralize them to place only one order per week and per supplier, usually at the very beginning of the week. I edit a supplier order note from the database, with the prices negotiated at the beginning of the year. Until the end of 2003, I faxed this purchase order to the supplier, with all the risks linked to this mode of transmission! On delivery, all the products are entered into the inventory with the batch numbers. I then issue a delivery note and an invoice for each laboratory. We make our own deliveries with our own vans. Today, GIE Labo-Charentes is identified, by Diagdirect, as a single client with a unique login and password. Instead of faxing

the order note to the supplier, I re-enter it in Diagdirect, according to the proposed standardized protocol, which is identical for each supplier. Each line must be validated, which is a bit tedious given the large number of order lines per supplier (40 to 50 lines on average). Nevertheless, the major benefit of this system is the very fast processing of orders and the reduction of delivery times. We are usually supplied within 24 or 48 hours at the latest. The order processing procedures were probably improved at the same time among the suppliers: the order notes arrive directly at the order processing department and are thus prepared more quickly. From the day after the order is placed, I can find out the status of the delivery (full or partial) with the batch numbers.

For partial deliveries, the replenishment date of the supplier is unfortunately not yet mentioned. The handling of these partial deliveries is specific to each supplier. Diagdirect also allows you to manage subscriptions, with, currently only for Biomérieux, the possibility of modifying quantities 48 hours before the scheduled delivery. I can also retrieve the history of orders since the beginning (the 1st order dates back to March 28, 2003), 7 pages at a rate of 30 orders per page!

Your first impressions after one year of operating?

DD: Overall, Diagdirect allows you to save significant time when taking orders, thanks to a standardized interface for all suppliers. This translates into faster deliveries. Many steps have been simplified, with real-time tracking of order status. In its current version, Diagdirect only allows orders by supplier to be controlled by displayed prices, calculated according to quantities and negotiated rates. Given the quantities ordered by the GIE, I have to be careful when entering them! We look forward to the arrival of other suppliers such as Bayer Diagnostics and Pharmacia.

In addition, it would be desirable to be able to validate several order lines at the same time, to have a link to the supplier's website, a link to the product ordered, or even a link to the technical data sheet. The search for a product, from a supplier catalogue, can be long if the product reference is not known. It is essentially done by designation (according to the EDMA classification) or by reference. From a single order note, on behalf of the central purchasing office, it is possible to have several delivery points. In spite of this option, we prefer to make global orders, for two or three months, with delivery of the products to a single site. Each laboratory manages a minimum stock in its refrigerators and is delivered once a week. This management ensures that the laboratories have the same batch number for a period of time. Our stock management is ensured by the database (CCMX Finance Administrations Des Ventes) which generates alerts in the event of a minimum threshold for a product in stock. The software of this database is not compatible with Diagdirect, so it is not possible to export the order generated in Diagdirect, the entry is still manual! In order to improve this order process and reduce manual data entry as much as possible, we are in the process of renovating the Internet website connecting all the laboratories.



Denis Dignan



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