

F R O S T  S U L L I V A N



SOUTHWEST**SOLUTIONS**GROUP

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IDENTI

2022 NEW PRODUCT INNOVATION

*EUROPEAN OPERATING
ROOM INVENTORY MANAGEMENT
SOLUTIONS INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Identi Medical excels in many of the criteria in the operating room (OR) inventory management solutions space.

AWARD CRITERIA	
<i>New Product Attributes</i>	<i>Customer Impact</i>
Match to Needs	Price/Performance Value
Reliability	Customer Purchase Experience
Quality	Customer Ownership Experience
Positioning	Customer Service Experience
Design	Brand Equity

The Need for Innovative Inventory Management Solutions in Hospitals

Inventory management in operating and procedural rooms is a significant challenge to hospitals. Most hospitals have OR as their primary revenue source, but many do not document expenditures and device utilization correctly. For example, in the United States, only 48% of implants or consumables are documented or reported, resulting in considerable monetary losses for hospitals. Hospitals in the United States also lose nearly \$7.7 billion per year due to poor inventory tracking in ORs.¹

Furthermore, registered nurses (RN) usually enter details of OR supplies manually into electronic health records (EHR). As clinical terminologies must match the terminologies in the EHR database, the process becomes time-consuming. RNs perceive managing non-clinical tasks in OR as a burden, with nearly 86% attributing their stress and anxiety to cumbersome documentation.² With RNs having to support doctors and surgeons in the OR, they might neglect to check product expiry and recall history. Improper inventory management can lead to hospital litigations and patient safety issues.

Most hospitals use barcodes for inventory management. However, this system does not capture all point-of-use surgical products such as sutures, staples, screws, and orthopedic implants cannot be barcoded. Moreover, some products may have either no barcode or several attached, making reporting

¹ <https://identimedical.com/if-hospital-were-space-or-were-black-holes/>

² <https://go.syftco.com/market-report/nurses-the-secret-factor-for-better-supply-chains>

cumbersome. Barcodes also only represent catalog numbers and do not show sufficient data on product expiry or recall in ORs.

Frost & Sullivan believes artificial intelligence (AI) and machine learning (ML) solutions in inventory management can benefit ORs, and that market participants combining hardware encompassing the latest technologies with robust software will witness rapid adoption. A direct-to-cloud data transmission model can also improve security, providing participants with a distinct competitive edge.

Empowering Nurses with SNAP&GO™

Identi Medical started developing radio-frequency identification (RFID) hardware products. In 2017, it separated from LogiTag to position itself as a technology solutions provider in the healthcare industry. Recognizing the challenges of existing barcode-based solutions in OR inventory management, the

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– **Ram Ravi, Industry Analyst**

company differentiates itself from competing solutions relying on only barcode and RFID by offering a revolutionary system that uses image recognition sensors. SNAP&GO™ is a patented data-capture technology based on AI, ML, and image recognition that allows RNs to take a quick snapshot of assets for efficient inventory documentation and management. The system converts images into machine-readable data that any hospital system, such as EHR, business

intelligence and analytics, enterprise resource planning, and maintenance management information system, can access and use through the company's cloud-based AI management software, IDENTIPLATFORM™. With image recognition technology, SNAP&GO™ captures all unique device identifiers (UDI), including batch or lot number, serial number, expiration date, and manufacturer stock keeping unit (SKU), and automatically saves them into a patient's file for future reference. These details are synchronized with hospital and supplier systems to enable seamless compliance with the US Food and Drug Administration's UDI regulations. Hospitals also do not need to maintain a database as IDENTIPLATFORM™ stores information on thousands of medical products. With a global catalog, IDENTIPLATFORM™ automatically identifies products requiring replenishment based on SKU and notifies healthcare providers. The platform provides end users with data analytics for actionable insights.

What makes SNAP&GO™ unique, easy to use, and the go-to system for hospitals is its 100% data capture in OR and procedural rooms. By tracking every device at the point of use in the OR, the system prevents revenue loss and inventory overstocking. SNAP&GO™ has been proven to help clients realize a 25% reduction in inventory during the first year of use. Frost & Sullivan notes that by combining its patented system and autonomous hardware with intelligent software, Identi Medical stands out from the competition with its unified solution suite offering flexibility to clients.

Identi Medical's revolutionary inventory management solution showcases the company's innovation acumen and proactivity in addressing niche OR challenges that are usually a growing “black hole” for hospitals. Identi Medical has a strong installed base in Europe. Its pilot studies in Israel's top hospitals are successful in demonstrating the superior data capture and inventory management capabilities of SNAP&GO™, which is gaining market traction across existing and potential customers in Europe. Identi

Medical's clients include leading hospitals, medical providers, device manufacturers, and international logistics companies such as Sheba Medical Center, Tel Aviv Sourasky Medical Center (Ichilov), Chu Ambroise Paré, American Hospital of Paris, Lindenhofgruppe, Johnson & Johnson, Medtronic, Skytron Corporation, Andau Medical, and DHL.

Frost & Sullivan commends Identi Medical for successfully creating a unique, next-generation turnkey solution to overcome inventory management challenges in ORs.

Enhanced Customer Experience through Comprehensive Solutions

Building value directly into its products and solutions, Identi Medical has designed and developed SNAP&GO™ to simplify data collection in ORs. The system eliminates manual errors and the need to train RNs in using barcode technology. The system also frees RNs from the time-consuming, labor-intensive task of entering and tagging data into a database. As part of its inventory management solutions portfolio, the company offers other data-capture products such as an RFID-based smart cabinet, narcotics cabinet, and Kanban and PAR (periodic automatic replenishment) solutions that enable automated tracking and real-time data on assets and consumables. By subscribing to Identi Medical's solutions, customers can capitalize on a holistic platform comprising hardware, software, database, and connectivity products.

Hospitals lose an estimated average revenue of nearly \$2.7 million each year because of poor charge capture in ORs.³ Identi Medical's suite of solutions tracks items from smart cabinets, narcotics cabinets, and Kanban and PAR systems using RFID to provide real-time information to relevant stakeholders. SNAP&GO™ also documents and tags every item used in the OR efficiently. With all information sent to the cloud-based IDENTIPLATFORM™, stakeholders across the healthcare value chain can easily cross-reference data and identify revenue leakages. Identi Medical comprehensively addresses challenges stakeholders face, making the company an ideal partner that offers substantial cost savings. Identi Medical ensures lean operations and continuous improvement, two factors vital to success in the 21st-century economy. With a vision to make camera-based tracking a norm in healthcare, Identi Medical constantly incorporates technology enhancements in SNAP&GO™.

Identi Medical prioritizes customer-centric innovation in its solutions as evidenced by the patented SNAP&GO™ and IDENTIPLATFORM™ that aim to streamline OR inventory management and overall hospital workflow. In the event of missing, incorrect, or unreadable catalog data on IDENTIPLATFORM™, Identi Medical supports customers with back-office personnel to enter data manually in the platform. With ML algorithms, the platform will match data to a particular SKU.

Identi Medical had a successful initial public offering (IPO) in June 2021, which will accelerate its growth trajectory in Europe and the United States. The company enhances its solutions by relying on customer feedback, gauging customers' reactions to current versions of SNAP&GO™. Its emphasis on customer satisfaction and consistent drive to improve existing product lines contribute to its broad base of elite customers. In March 2021, Identi Medical secured a four-year deal with UniHA to equip 1,000 hospitals in France with its digital platform. Publique-Hôpitaux de Paris (AP-HP) was the first to deploy the technology in three of its largest hospitals. Frost & Sullivan is impressed with Identi Medical for

³ <https://identimedical.com/if-hospital-were-space-or-were-black-holes/>

establishing a foothold in France as the French healthcare market is usually difficult for new entrants due to considerable entry barriers.

Customers have shared positive reviews of Identi Medical's solutions on the company's website. Hillel Yaffe Medical Center, for instance, is a hospital in Israel with more than 500 beds. Before implementing

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SNAP&GO™, the hospital managed its inventory replenishment workflows manually in all 10 of its ORs and encountered challenges such as stock mismanagement, revenue loss, and increased spending on supplies. The hospital described its ORs as a black hole with no information on inventory. It adopted SNAP&GO™ and took about three days to train all staff to use the new system. The hospital saw improved results through optimized stock replenishment and reduced time and labor.

With healthcare customers at the heart of its solution development, Identi Medical is well-positioned to grow in the OR inventory management solutions market. Its innovative solutions and AI management software enable the company to enhance its global presence.

Conclusion

Hospital ORs with mismanaged inventory result in significant monetary losses, litigations, and patient safety issues. Hospitals using manual methods to track inventory and manage stock replenishments are awash in operational inefficiencies. Identi Medical addresses OR inventory management challenges by simplifying and streamlining the process with SNAP&GO™ and IDENTIPLATFORM™. Unlike barcode-based solutions that do not capture all relevant data, SNAP&GO™ obtains all data on surgical implants and consumables used at the point of use. RNs can quickly scan each product using the system and leave the rest to the cloud-based AI management platform. Identi Medical's platform also offers data analytics, providing hospital management with actionable insights.

With its outstanding commitment to innovation, Identi Medical earns Frost & Sullivan's 2022 European New Product Innovation Award in the OR inventory management solutions industry.

What You Need to Know about the New Product Innovation Recognition

Frost & Sullivan's New Product Innovation Award recognizes the company that offers a new product or solution that uniquely addresses key customer challenges.

Best Practices Award Analysis

For the New Product Innovation Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

New Product Attributes

Match to Needs: Customer needs directly influence and inspire product design and positioning

Reliability: Product consistently meets or exceeds customer performance expectations

Quality: Product offers best-in-class quality with a full complement of features and functionality

Positioning: Product serves a unique, unmet need that competitors cannot easily replicate

Design: Product features an innovative design that enhances both visual appeal and ease of use

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty