

CHALLENGE

What is the best way for a new entrant into the U.S. plasma market to better understand and continually meet the dynamic needs of hospitals and health systems?

SOLUTION

Grifols, a group of health care companies that serves health care facilities in more than 90 countries and is headquartered in Barcelona, Spain, found that the best way to expand its consumer reach was to become a Novation-contracted supplier. Grifols approached Novation as soon as it entered the U.S. plasma market in early 2004.

"Novation has a terrific reputation, and the depth and breadth of their experience and relationships with UHC, VHA and Provista members were some of the most attractive features of working with them as a business partner," says Chris Healey, Grifols' vice president of government and public affairs. "And the fact that we went to Novation as our first group purchasing organization speaks volumes."

RESULTS

Although Grifols is a publicly traded company, members of the Grifols family remain involved in the company's operation. Consequently, "ethics, credibility and reputation are everything," says Healey. "Grifols doesn't enter into business relationships lightly."

Four years into the partnership, has Novation lived up to Healey's expectations? "There's no doubt that we've enjoyed tremendous success working with Novation, and we consider them more than just a customer — they're a terrific business partner. One of the reasons why I believe that Grifols and Novation are such a good fit is a shared sense of ethics and commitment."

Grifols has continued to increase its annual production of blood-clotting factors, IVIG and albumin to the U.S. marketplace in "dramatic numbers," according to Healey. "Novation has certainly been a big part of that success."

Novation's in-depth understanding of plasma products is second to none, says Healey. "This is a small sector of a very large pharmaceutical marketplace, but it's very complex and very different than traditional pharmaceuticals — and Novation gets that. They understand what's involved in plasma therapy production and marketing, and they have staff members dedicated to plasma products, so they're intimately familiar with these complex biologic therapies."

Grifols also values Novation's understanding of exactly what is involved in plasma sales and marketing. "Novation appreciates the fact that there are many products produced out of a single plasma donation, and they understand the need to sell



SUPPLIER PROFILE

Grifols

Headquarters:
Barcelona, Spain

Year Established:
1940

Program Participation:
Novation supplier since 2004

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—Chris Healey, Grifols

SUPPLIER SUCCESS STORY

more than one product from a single plasma donation. Novation works with us to ensure that all of our products are sold to their member organizations — not just one or two.”

In addition, Novation’s forecasting efforts have proven critical to Grifols’ goals. Plasma-related forecasting is very different than for traditional pharmaceuticals because the starting material needed to produce these therapies depends entirely on plasma donations. “There’s a real need to be able to forecast increased demand so that we can respond. It’s a very delicate balance to produce enough to meet increased needs or a varying demand given our lengthy production cycles, and Novation certainly understands that,” says Healey.

Novation’s strong member relationships keep Grifols on top of health care organizations’ ever-changing plasma needs. “As a result of those strong relationships, we can help ensure that there are adequate amounts of plasma and plasma-related products available so that patients don’t have to go without,” says Healey.

Novation is able to accurately forecast plasma demand through its thorough and recurring member survey efforts — a factor that Viki Figge, Grifols’ national accounts manager, greatly appreciates. “Novation’s needs assessment survey is absolutely invaluable to us,” she says. “They translate that information into something meaningful to help us understand what member needs will be. That’s how we gauge our production, as well as our sales and marketing strategy.”

Figge adds that Novation “does a wonderful job” of keeping Grifols in the loop on what’s occurring with its members, particularly through its Plasma E-Manager updates, which include information on members who have changed allocations or distribution channels. “Novation communicates with us on an almost daily basis as far as targeting members who have a direct need for our products. It’s an ongoing dialogue that helps us realize where there is a lack of product,” she says.

That ongoing dialogue is facilitated by the Novation-related meetings that Figge attends throughout the year, including huddle meetings, twice-yearly business review meetings and VHA’s Leadership Conference, among others. “These meetings are critical, and we participate to get a broader picture of the marketplace and customer needs — but they don’t replace the day-to-day communication about what’s occurring in the marketplace and what we can do as a company to help meet changing needs,” says Healey. “With Novation, we have the best of both worlds.”