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Art Koch's Profit Chain® Series

The Economic Colonization of American Health Care Supply Chain

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Can you imagine the United States outsourcing 80-85% of our defense contracts to the lowest bidder?

And if we were to do this, would we be putting our national security and sovereignty in great jeopardy? Absolutely! This is exactly what the health care industry has done to the US!

To protect our national security and sovereignty, we as a nation have two amendments. With these two amendments in place, it's safe to assume we are in a better position to protect ourselves from foreign aggression.

- **Berry Amendment** – Department of Defense gives preference to domestically produced, manufactured or home-grown products. e.g. food, clothing, and specialty metals.
- **Kissell Amendment** – Department of Homeland Security, when using appropriated funds directly related to national security, is required to buy textiles, clothing and footwear from domestic sources.

The events of COVID-19/CCP VIRUS crisis has exposed several threats to our national security and sovereignty via the supply chain for health care personal protective equipment (PPE), drugs and their precursors, and other medical equipment.

As a nation, we have outsourced:

- 90% of the PPE – gowns, masks, booties, gloves, and shields to China and India.
- 80-85% of IV bags are from one facility in Puerto Rico. (U.S. Territory)
- 85% of generic drugs and their substrates are from China and India.
- [The US no longer can make penicillin](#); the last plant closed in 2004.

"Basically, we've outsourced our entire industry to China," retired Brig. Gen. John Adams told [NBC News](#). "That is a strategic vulnerability."



It takes a significant emotional experience or a crisis for real change. We must use the COVID-19/CCP VIRUS pandemic as our “Burning Platform”, our WAKE-UP call for ACTION! This crisis draws a similar parallel to the 1986 Chernobyl disaster. Chernobyl was the product of the USSR’s failed state policies; the party always comes first. How is this any different than what is becoming evident from China’s policies? Do we want to continue to be this exposed? I think not!



Next Steps:

We need to STOP blaming others! As a country, we can fix this.

- USA population needs to take 100% responsibility!
- Washington needs to take 100% responsibility!
- USA corporations and leadership need to take 100% responsibility!

The population of the USA MUST act:

- We need to stop telling our children that college is their only option.
- There is a need to shift the frame of focus to the fact that manufacturing is cool and exciting. Manufacturing jobs generate fulfilling careers and pay excellent wages. Most manufacturing jobs are highly skilled, challenging and rewarding. We as a nation are ready for manufacturing to be cool and sexy; just take a moment to watch Gas Monkey Garage, How it's Made, or Monster Garage and you will understand what I mean.

Washington MUST act:

- We need an amendment(s) similar to the Berry and Kissell to protect our health care supply chain.
- Any new stimulus package must include tax breaks for corporations to insource (return back to the US) products from countries that don't share our same policies on human rights, intellectual property laws and monetary/currency oversight.
- Create a national campaign for Made in America
- Re-energize vocational technical programs at the high school and junior college level.

Corporations and leadership MUST act:

- Leadership must be educated in Operational Excellence and embrace it as a cornerstone to step functional and continuous improvements to the Total Cost of Ownership.
- As far as the Total Cost of Ownership is concerned, corporations need to become zealots for the Toyota or Lean Manufacturing methodologies. They need to stop chasing labor cost-saving ghosts and make decisions based on the total cost of carry inventory and not just the incremental costs.
- Manufacture regionally for local customers. Long-term, it is not profitable to ship halfway around the world.
- Avoid countries that manipulate their currency. This is not a profitable strategy in the long-term.

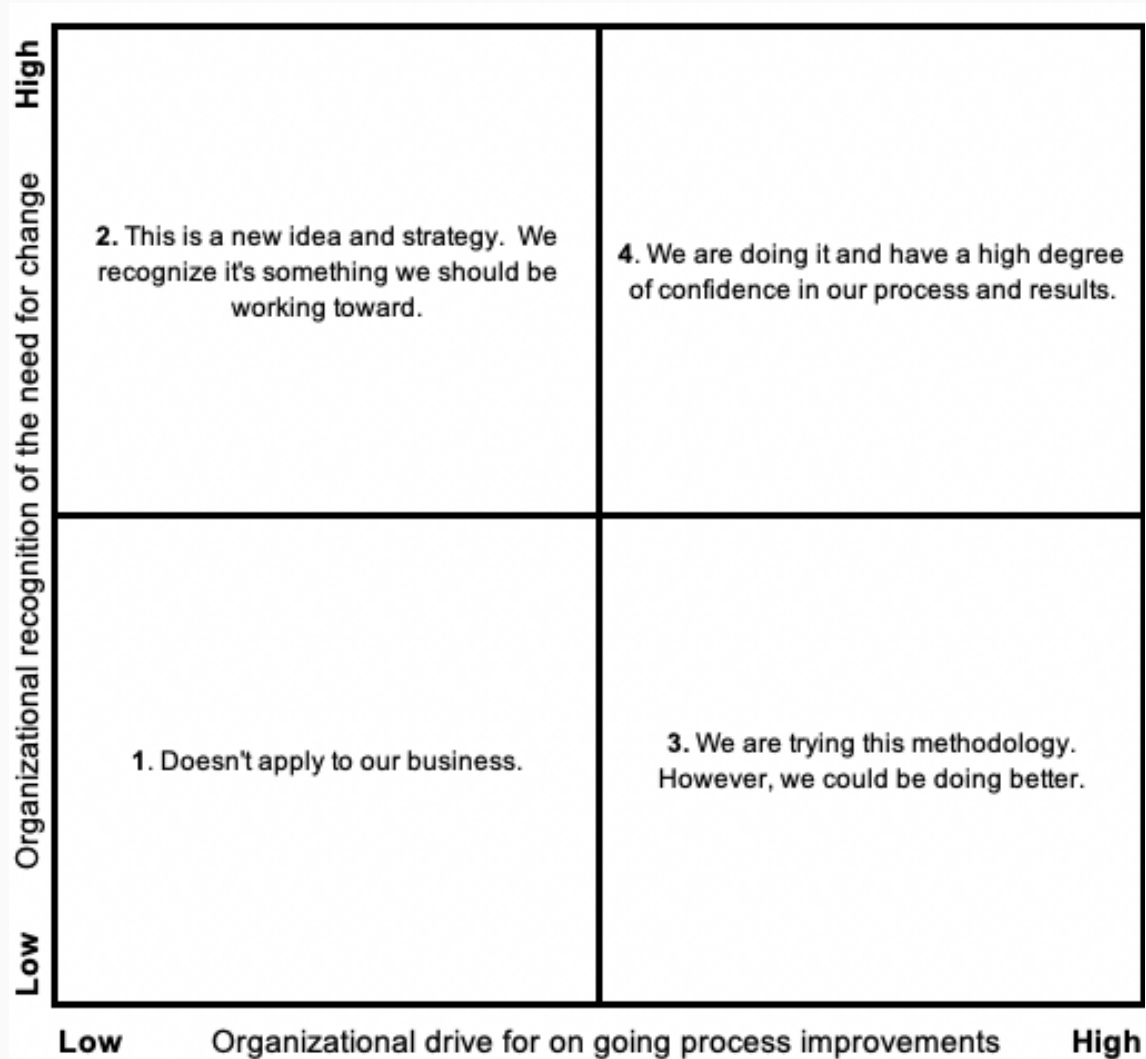
There is absolutely no reason you cannot turn an excellent profit when manufacturing facilities are up to date, are well staffed with well-trained teams, are practicing cutting edge operational excellence, and are regional or local to customers.

The choice is yours; do you want to be part of the solution? Do you want to help build a stronger self-sufficient America?

Don't be afraid to ask for help!

Self-Ranking - Pick one of the four questions below and then fill in your comments in the space provided.

1. Don't think this applies to your business or enterprise? (Write three to four reasons why it might not.)
 2. This is a new idea and strategy, it's something we need to work toward. (Brainstorm the first steps.)
 3. We can do better, modify our strategy, and now we are moving in the right direction. (What are the next steps to ensure success?)
 4. Our team gets the necessary time to keep their minds fresh and we have plans to live our dreams. (Comment on how you're ready.)
 - _____.
 - _____.
 - _____.
 - _____.
-



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in·ven·to·ry / 'in-vən-ˌtôr-ē / noun

Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.

in·ven·to·ry is evil! / 'in-vən-ˌtôr-ē is 'ē-vəl / phrase

Left unchecked inventory has many negative unintended consequences to profitability. It hides problems; **therefore, it delays fixing problems!**

Turning Operational Problems into Profits™

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Thanks in advance for your time. As always, thanks for being a loyal client. Looking forward to helping you and your team again soon.

Carpe diem,

[Art Koch](#)

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