

# Symposium Snapshots!

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Brent Evans, OA's V.P. of Sales and Marketing, congratulates Dave Fagan, National Account Manager with Alza, on receiving the Outstanding Service Award to Oncology Associates for 2000.



Oncology Associates members enjoyed an evening on the town together while attending the annual member's meeting in June.



Oncology Associates members discuss recommendations to the direction of the GPO at the annual member's meeting sponsored by Aventis, Alza, Immunex and Ortho Biotech.



## Ask Joe, "What is the Real Value of a GPO?"

**Q** How is Oncology Associates' value to manufacturers affected by transient membership?

**A:** Group-purchasing organizations will gain a manufacturer's contracts by demonstrating an ability to sway market share through purchasing compliance by its members. The size of the group's membership is important, in that it should represent a substantial percentage of sales to the manufacturer. However, a loyal, highly compliant membership is often more important than a GPO's size.

When short term thinking causes GPO members to focus on the line item cost of a drug as opposed to the long-term savings benefit derived through collective purchasing, the net effect may be worse because the GPO cannot sustain an attractive price. Also, a GPO is weakened by transient membership (changing GPOs frequently) because of the lack of strength and member commitment observed by the manufacturers. This hinders the GPO's ability to negotiate effectively.

The end result of poor compliance and transient membership is a compromised GPO that will not achieve the group's goals nor present a business model that is attractive to manufacturers seeking long-term and mutually beneficial partnerships.

Joseph Lewarski, OA's Chief Operating Officer, answers the frequently asked questions posed by OA's membership. Contact him with your questions at [jlewarSKI@rmed.com](mailto:jlewarSKI@rmed.com).

**ONCOLOGY ASSOCIATES**  
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