

17%
Reduction in the workforce while
improving service levels

Nursing the Supply Chain Back to Health

Logistics Overhaul Helps Hospital Maintain Service Excellence



A 474-bed inner-city regional medical center decided it was critical to repair the weak links in the supply chain that delivers medical supplies throughout the hospital. Needing a solution, the hospital turned to its mail and courier management services provider, Canon Business Process Services. The hospital tapped Canon's logistics expertise in order to help the hospital address the challenges and optimize the distribution of medical supplies.

THE CHALLENGE

The hospital was struggling to get the right level of medical supplies to the right location at the right time. As a result, materials distribution management became a major issue for the hospital. After more than two years of attempting to correct the problems without success, the issues began to impact patient care. The medical center faced a challenge many hospitals encounter: a lack of quality communication between the nurse managers and materials distribution teams. Poor materials distribution leadership and inadequately trained staff led to problems with parring and par level analysis (which determine the level at which stock items are replenished), as well as under-utilized systems and misuse of the hospital's enterprise resource planning (ERP) system. These issues resulted in excessive costs, low levels of internal customer satisfaction and a culture that lacked accountability.

Because the processes supporting supply parring were ineffective, they created daily "stock-outs" and overstocks of supplies, which led to hoarding by nurs-

es who were concerned about running out of supplies. There were also no processes supporting the flow of medical supplies entering or leaving the facility, or written procedures to guide management in correcting these challenges. There was also no way to measure accountability, which would ensure that the medical supplies distribution staff was meeting service level agreements.

THE SOLUTION

The hospital was already working with Canon Business Process Services, which over the past few years had dramatically improved and reduced costs in the hospital's mail, courier and shipping operation. Now it was time to leverage Canon's logistics expertise in order to tackle the challenges and optimize the hospital's medical supply distribution system.

Canon Business Process Services deployed one of its top logistics experts who worked at the hospital for a month creating new materials distribution systems processes and optimizing the hospital's ordering systems. These logistics

Canon aligned ordering processes and procedures to minimize miscommunication that previously led to stock-outs and over-orders.

processes utilized best practices that Canon leveraged in materials distribution management to help other clients. On the first day of the transition, Canon managers began implementing the processes and creating an accountable staff that maintains the processes today, six years later.

Canon designed new par level analysis systems to correct stocking and re-ordering problems and created a new

communication process with the hospital's nurse managers so the materials distribution team could better understand the nurses' daily needs based on changes in the patient census. Canon also adjusted par levels for medical supplies, redesigned the medical stock rooms, which included relabeling the medical supply bins, and updated the hospital's procurement processes. This improved the ordering and replenishment process.

ABOUT CANON BUSINESS PROCESS SERVICES, INC.

Canon Business Process Services, a wholly owned subsidiary of Canon U.S.A., offers managed services and technology for information and document management, business process outsourcing and specialty workforce services. We help clients improve operational performance while reducing cost and risk. Canon Business Process Services has been named a Global Outsourcing 100 Leader by IAOP for the past eleven years and recognized in the Gartner Magic Quadrant for Managed Print and Content Services for five consecutive years. We have also been acknowledged by CIOReview magazine as a "20 Most Promising Legal Technology Solution Provider." Learn more at cbps.canon.com and follow us on Twitter @CanonBPO.

THE RESULT

- + Canon integrated multiple staff and departments into a single service offering that included materials management, mail and courier services. This included eliminating a management position, two staff positions and a part-time driver while increasing service levels and accountability. This represented a 17% reduction in the workforce while improving service levels to nurses and patients.
- + Within 30 days, nursing complaints were eliminated due to minimizing stock-outs and over-stocks.

- + The materials distribution manager built communication channels with nurse managers that quickly addressed issues and concerns so they did not rise above the two departments involved.
- + Canon worked with the procurement department to align ordering processes and procedures to minimize miscommunication that previously led to stock-outs and over-orders.
- + Stock rooms were reorganized, professionally labeled and communication boards were added for the nurses, which enhanced communication at every level.
- + Trust between the nurse management and materials distribution teams was restored.