

/\$40k
In savings in storage space cost

Rx for Materials Management

Hospital Streamlines Operations, Improves Workflow



One of the nation's top children's hospitals has fostered medical innovations that have improved children's lives. To maintain maximum support for its mission, the hospital saw an opportunity to improve its medical supplies distribution management processes. To meet this goal, the hospital partnered with Canon Business Process Services to improve processes, productivity and staff accountability as well as increase nursing management satisfaction levels.

THE CHALLENGE

The hospital's materials distribution processes include receiving, storing and continually replenishing the flow of thousands of medical supply items throughout the hospital's campus. The materials distribution team delivers the medical supplies to bedside carts, the hospital's case cart room and other locations.

The hospital was working with an existing outsourcing partner, which both supplied the inventory and managed its distribution. This became a concern for the hospital. Over the previous five years, the staffing level had grown from 35 to 87 without a proportional growth in the hospital's operations. Personnel turnover and absenteeism, particularly on holidays and weekends, was at an alarming level. This often left the hospital understaffed and undersupplied.

Additionally, because the staff was not adequately trained in the hospital's enterprise resource planning (ERP) and automated dispensing systems, these systems were not used properly. This led

to under and overstocking medical supplies and an organizational culture that lacked accountability.

Compounding these challenges, tens of thousands of dollars worth of medical supplies were regularly exceeding their expiration dates or were about to expire. The hospital was also incurring excessive expenses due to ordering and storing more supplies than necessary. After concluding that its outsourcing partner was not adequately responding to these challenges, the hospital decided to take action.

THE SOLUTION

Canon Business Process Services began stabilizing the staffing issues by recruiting and hiring a staff that included many individuals who were familiar with the hospital's existing materials distribution system. Canon also implemented a training program focused on customer service, teamwork and accountability.

Next, the Canon management team and process consultants implemented new systems and Lean Six Sigma-based

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workflows. The latter have decreased the time it takes to stock, pick, inventory and reorder medical supplies with a far greater level of accuracy. The materials distribution managers also received in-depth training on the hospital's Lawson ERP system and numerous system modules used to execute service delivery.

Canon also instituted better communication with the hospital's internal "customers," including nurse managers in a variety of departments. This included daily meetings where objectives were set and Canon staff was accountable to deliver results.

To pave the way for future initiatives, Canon and the hospital discussed using Canon's expertise in Lean Six Sigma performance management methodologies to help the hospital assess and further improve its materials distribution processes.

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."

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THE RESULT

- + By implementing new systems and workflows, Canon decreased staff and labor costs while improving materials distribution processes, raising overall customer satisfaction and reducing inventory levels.
 - + The transition to a new staff was seamless. Sixty days after the transition, hospital senior management characterized the transition as a "nonevent."
 - + Canon training and communication programs enabled the staff to provide superior service to the hospital's nurses and other key personnel.
 - + The hospital is better leveraging the functionality of its Lawson ERP system in the inventory process.
 - + The effects of staff absenteeism, including holidays and weekends, have been eliminated.
 - + Waste and cost overruns from expired inventory have been eliminated.
- + Clinical equipment storerooms were redesigned for more efficient workflow.
 - + Canon implemented a Lean Six Sigma/Kaizen Event focusing on 48 endoscopic mechanical items utilized by the hospital's operating rooms. (A Kaizen Event is a quick and efficient improvement project focused on a single process.) The Kaizen Event team identified opportunities to reduce inventory levels carried by the hospital for more than 40 items. This will free up storage space and result in more than \$40,000 in cost savings. Initial improvements in sorting and storing supplies in the hospital's case cart room decreased errors and the time it takes to pick medical supplies for surgery cases.