

Supporting supply chain efficiency at health services

Background

An efficient supply chain enables health services to better use resources where they are needed most – in delivering the best patient outcomes.

This is achieved by ensuring the right products are in the right place at the right time, and by freeing up clinical employees to concentrate on their core role.

HPV has assisted several health services in recent years to achieve efficiencies or make a start on their journey to a better supply chain which will reap benefits into the future.

How we help

HPV has developed a roadmap to help health services achieve their objectives for a more effective supply chain and has worked with several health services including:

Western Health –Health Purchasing Victoria and the Western Health Procurement Services team worked collaboratively to conduct a Supply and Replenishment Customer Feedback survey late 2018 to better understand the needs and perceptions of internal customers, improve customer engagement and identify ways to add value for Western Health.

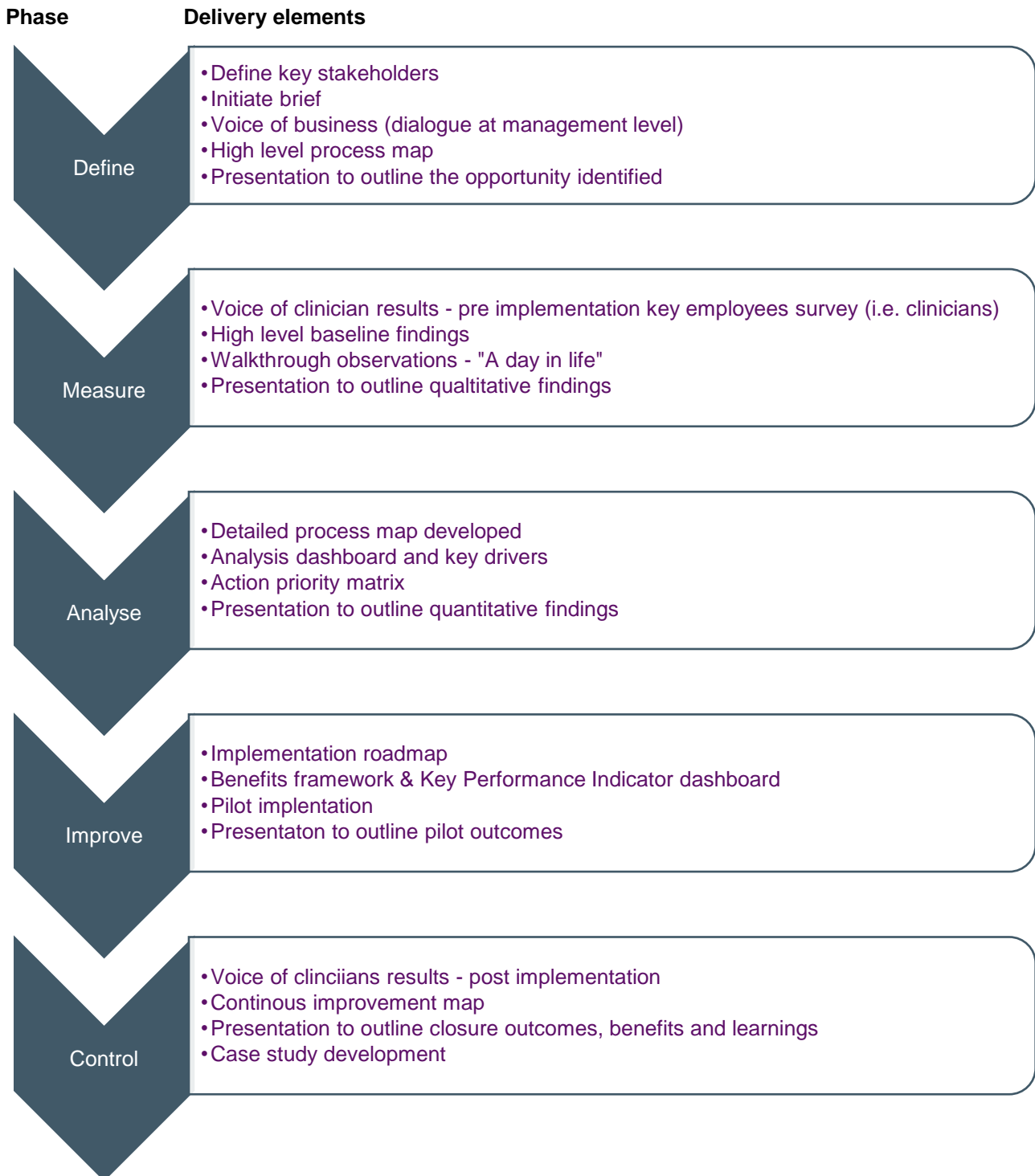
Analysis supported a business case for implementation of a dedicated supply team. This has resulted in clinicians being able to focus on their core role instead of managing imprest. Outcome was an additional 100 clinical hours a day at the Joan Kirner Women's and Children's hospital.

Royal Children's Hospital – audit of warehouse space, reduction in stock being stored and better movement of product throughout the hospital.

Peninsula Health – work underway on supply chain diagnostics to identify opportunities to create efficiency.

We offer assistance at various points of your supply chain improvement journey outlined in the roadmap below. See a more detailed version of this [roadmap](#) to help understand your role and how HPV can help.

Roadmap and deliverables



What you need to get started

There are five key enablers to ensuring you achieve the efficiencies you want.

Organisational readiness

Project team – key elements

- **Project Champion:** Key central project owner assigned by health service to be the champion in data collection, analysis support and implementation roll-out.
- **Sponsor:** (someone with authority and influence within your health service) to endorse the initiative and dedicate resources to work together on the initiative.
- **Support:** Identified project support members from procurement and supply team to assist project champion on requirements (e.g. data, implementation etc.)

Quality Improvement team – key elements

- Key resource assigned by health service to align the initiative identified to your organisation's overarching goals. HPV recognises you may not have a specific team or process improvement based role but it is advisable to identify who has this skill set within your organisation.
- This resource would be responsible for providing initial training on methodology (for example the Six Sigma tool 5S) and assist on day-to-day activities (for example the onsite data measurements), garnering wider organisational support and align reporting.

Scope

- Scope of work you are considering is consistent with previous initiatives undertaken by HPV with other health services. These are more likely to be successful because there is benchmark available.
- HPV will require access to your data (including but not limited to supply chain and financial information).

Alignment of strategic goals

- Ensure the initiative you have selected is in alignment with both HPV and your health services strategic goals and is reportable under the Statement of Priorities for both organisations. I.e. you have a benefits framework that can be aligned this reporting.
- Is your objective outlined in your annual plan and supported at an executive level?
- Common strategic opportunities:
 - Standard operating procedure – what is the health services' current process and capabilities and where are the key areas of opportunity?
 - Layout optimisation – how are you utilising your space and are there opportunities to optimise the layout and flow?
 - Supplier commercial opportunities – optimising purchasing patterns to maximise benefits under contract (examples include volume purchasing benefits, EDI, order consolidation)

Targets

- Pre-agreed tangible targets before the initiative begins – I.e. why would your health service and HPV support this initiative? Establish a high level benefit for both organisations so we can enable allocation of appropriate resources. Establish return on investment.

Funding

- Budget available or willingness to commit to a funding request if required.

SUPPLY CHAIN EFFICIENCY

Other information

[Western Health case study](#)

[Electronic Data Interchange explained](#)

Next steps

If you are confident you have the right enablers in place, contact our Supply Chain Productivity Team via your Customer Relationship Manager to discuss potential opportunities.

Initiatives will be prioritised on the benefits that can be delivered and the resourcing available.