‘Diamond standard’ for managing supply chain

Supply chain management doesn’t normally conjure images of diamonds and clocks, but it did when Eugene Schneller, PhD, traced the trends in his keynote at the OR Business Management Conference held May 9 to 11 in Savannah, Georgia.

Schneller, who is professor and director of health sector supply chain initiatives at the W. P. Carey School of Business and Arizona State University in Tempe, said the “diamond standard” for the 21st century health sector supply chain consists of real-time information, accountability, clinical and moral components, agility, and feedback. Real-time information is particularly important, Schneller said. Databases need to bring together cost, quality, product, and outcomes information. Without that, “you can’t manage in this environment,” he said.

“Clockspeed” refers to the rate of change in organizations, said Schneller, and clockspeed varies by industry. For example, the steel industry has a slow clockspeed, while the sneaker industry is fast. In fact, custom sneaker stores are thinking about “letting customers design their own sneakers,” he said. The question for health care, he said, is “What’s the clockspeed going to look like?” Health care is becoming more modular. Wal-Mart, for example, is opening primary care clinics. How will that affect health care organizations?

Exchange of ideas

The 288 attendees chose from among 4 all-day seminars and 15 breakout sessions and visited a trade show with 23 vendors. OR directors, OR business managers, materials managers, and others interested in the business side of surgery heard speakers address 4 key themes: information technology (IT), supply chain, OR design, and operations. Participants shared ideas and best practices in discussions in and out of the sessions.

What business are you in?

“You’re in the business of creating health,” said Alden Solovy, executive editor and associate publisher for Hospitals & Health Networks (H&HN). “[IT] is creating the systems that create health.” IT and other leaders must tie their data to health creation so clinicians understand the value of the information they are asked to collect. “We need to make the case,” he said.

Solovy shared results from H&HN’s annual Most Wired survey, which tracks hospitals’ progress in use of IT. For the past few years, the survey has assessed whether there is a link between quality and how “wired” a hospital is. Data from the 2004 to 2006 surveys suggest mortality is lower in the “most-wired” hospitals. Solovy cautions against drawing too much from the data. “Association is not causality, but these 2 things [mortality and connectivity] seem to live together in the same organization.” It’s a chicken-and-egg question: Do hospitals with higher quality invest in IT, or does IT lead to higher quality?

Increasingly, managers need to master use of data. “The manager who learns to use the powerful tools embedded in analytical systems does the most to improve the organization and becomes the hero of the organization,” Solovy said.

The latest results of the Most-Wired Survey are in the July 2007 H&HN.
**Going green**

Attendees learned strategies for designing and building new OR suites, including considering future needs, designing for ease of use and flexibility, collaborating with contractors, and how to move into a new facility.

Building and environmental protection are not mutually exclusive, said Kristi Ennis, AIA, LEED AP, sustainable design director, Boulder Associates, Inc, and Julie Moyle, RN, MSN, CNOR, surgery manager, Boulder Community Foothills Hospital, Boulder, Colorado. The hospital was the first in the country to earn LEED (Leadership in Energy and Environmental Design) designation.

“Going green” requires commitment at all levels, starting with the board of directors. A green environment doesn’t necessarily mean loss of green cash. Over a year, the hospital reduced use of blue sterilization wrap by 50%, producing a cost savings of $111,000 and decreased waste by about 11 tons. Sometimes the payoff takes a little longer. Full-spectrum lights cost more up front but last far longer, use less energy, and don’t emit as much heat. Ennis said they pay for themselves in about 1.5 years.

**What do surgeons want?**

To help answer the question OR managers frequently wrestle with, Marita Parks, RN, CNOR, VP for performance consulting, Sisters of Mercy Health System/ROI, Chesterfield, Missouri, called on her colleague, surgeon Kenneth Larson, MD, FACS, of St John’s Regional Health System, Springfield, Missouri. The two engaged attendees in a thought-provoking discussion.

Parks says physicians want business opportunities, quality of life, and science. Other needs sound familiar to most OR managers: responsiveness, shared decision making, personal attention, and having their concerns heard and addressed. Surgeons are especially interested in hearing from a trusted leader and appreciate honest, succinct communication. Efficiency is also valued highly, including quick room turnover and easy scheduling.

Dr Larson emphasized that attendees should let surgeons “own their problems,” meaning they should take responsibility for solving them. Parks and the attendees agreed it’s crucial to supply feedback in the form of data. Surgeons are more accepting of feedback when data backs up what they are being told.

Parks recommended the book, *Leading Physicians Through Change: How to Achieve and Sustain Results* (American College of Physician Executives, 2000), which describes how physicians and health care leaders can strengthen their collaboration.

**Don’t miss out**

Other sessions covered topics such as managing physician preference cards, benchmarking, process improvement strategies, and value analysis team success. In the closing session, led by Dr Larson and Christy Dempsey, RN, MBA, CNOR, vice president, perioperative and emergency services at St John’s, attendees said they valued the networking opportunities. Ideas from the conference will help attendees avoid reinventing the wheel and improve practice.

—Cynthia Saver, RN, MS

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