

Smarter Supply Chain Management

Why Aligning People, Process, and *then* Technology Matters



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Technology adoption in healthcare has never been greater, as hospitals adhere to meaningful use criteria to make data more transparent in supporting patient care initiatives. But technology alone is not enough. Positioning for long-term operational success requires a strategic approach to change management that includes people, process, and technology. Supply chain teams that adequately align people and process before layering in technology are more likely to succeed.

This was the experience at INTEGRIS Health, where a supply chain initiative to address inventory management challenges benefited from a comprehensive approach and working closely with Cardinal Health's Inventory Management team. This whitepaper outlines the alignment strategies employed by INTEGRIS, leverages insights from Cardinal Health's experienced team, and describes the results.

I. INTEGRIS Health Supply Chain Initiative Overview

In 2016, when INTEGRIS Health was creating its 3-year strategic plan, a primary focus for Matthew D. Ziehme, Administrative Director, and the supply chain leadership team was to gain better control over their inventory. Historically, clinicians within various procedural departments were spending a significant portion of their time on inventory management, which cut into the time spent on direct patient care. "We wanted to get our clinicians back to being clinicians and to let supply chain do what they do best, which is to ensure that our clinical caregivers have the right supplies at the right time at the best possible value," says Ziehme. "This challenge triggered leadership to start a vision within that to say, 'How can we do this better?' and 'What are the processes and technology that we can bring to bear?'"

II. Pathway to Alignment

To successfully execute the vision, INTEGRIS knew it needed more than just a technology implementation plan. "Technology solutions will only be as effective and efficient as the processes they are built around and the people who use them," says Ziehme. Building organization-wide alignment around the vision and strategy for improved inventory management required INTEGRIS to identify, map, and understand their current processes and gain alignment from key stakeholders (including clinicians) *before* implementing the technology. "I absolutely agree with the focus on people, process, and technology—in that order," says Ziehme. "At the end of the day, it's people who execute the process, or not, and people who use the technology, or not."

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Selecting the Right Supply Chain Technology

A critical first step for INTEGRIS was finding the right solution and the right industry partner. A market survey identified Cardinal Health's inventory management solution (also known as WaveMark™) early on in the vendor selection process. The INTEGRIS supply chain team collaborated with the system's clinicians to vet prospective vendors on "demo days," during which clinicians from across the INTEGRIS system used scripted questions to interview vendors and listed their pros and cons for each.

Ultimately, it was the clinicians who decided unanimously that Cardinal Health was the best solution. "The workflow built around Cardinal Health's inventory management solution was compelling to the clinicians, who saw where it could streamline their work," says Ziehme.

Learn more about the Cardinal Health inventory management solution. 

Using Lean to Unlock Engagement

Both INTEGRIS and Cardinal Health are Lean-based organizations. According to Ziehme, this is not by accident: "Sharing business-culture values with Cardinal Health enabled us to think about people and process first, and then technology. Lean values the input and ideas of experienced caregivers and recent college graduates equally. When everyone is focused on the patient and the process, any generational gaps melt away."

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INTEGRIS held a Lean event facilitated by Cardinal Health to benchmark its processes and map future workflows. "This event gave a forum to the processes by which INTEGRIS could standardize and improve on," says Ziehme. "We had representation, perspectives, and collaboration from across the system and at all staff levels. Together, we did a value stream to map how data was going to flow, how people were going to change, and how the process was going to transform, with the ultimate goal of facilitating higher-quality, cost-effective care."

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Fostering Collaboration

Formation of a steering committee and sponsorship teams provided additional forums for INTEGRIS to benefit from collaboration. The steering committee was made up of appropriate members from supply chain, information technology (IT), and clinical leadership. INTEGRIS and Cardinal Health also jointly organized peer-to-peer events for OR staff to discuss their inventory-related workflows and how the inventory management solution could support them, what it does, and how it does it. "Bringing in external experts generated dialogue and collaboration on every level and allowed people to take ownership of the change," says Ziehme.

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Achieving Alignment

From vision to implementation, the pathway to alignment took INTEGRIS nearly 2 years and included a succession of Lean events, financial model iterations, vision refinement, a consolidated, system-wide roadmap of 31 individualized implementations, and ongoing collaboration. Cardinal Health was involved at the national, regional, and local levels all the way through. As Ziehme recalls, "We had to craft a holistic story, not just a financial one, for the investment to be approved. To move INTEGRIS forward, the Cardinal Health solution had to be more than a technology enhancement—it had to enhance people and process as well."

The solution is projected to result in major cost savings for INTEGRIS while providing clinical caregivers more time to focus on patient care, thereby improving outcomes and the overall patient experience. Additionally, once the solution is fully implemented, INTEGRIS anticipates it will support patient safety efforts by helping to eliminate expired and recalled supplies from its inventory. "The supply chain is very much at the intersection of cost and quality," says Ziehme. "Our investment in Cardinal Health's inventory management solution is a perfect example."



KEYS TO SUCCESS

INTEGRIS Health, based in Oklahoma City, Oklahoma, is the state's largest not-for-profit health care system, comprising 8,000-plus clinicians across 31 facilities. Matthew D. Ziehme, Administrative Director, describes the keys to successful alignment of people, process, and technology prior to implementation of the Cardinal Health inventory management solution. Ziehme's role within INTEGRIS is to support a team of 55 supply chain professionals across eight acute-care facilities to stay competitive and fulfill the mission and values of the organization.

Collaboration. By bringing together Cardinal Health, clinical, and administration, we were able to identify our inventory management challenges and how to solve those problems. With collaboration comes understanding and value. Once the value of a technology solution is understood, the change management process becomes easier, people become educated and aware, and the solution is running.

Focus on the functional with support of the technical. From early on, we took a functional-first view of how it can improve. This focus involves taking advantage of technology capabilities to identify opportunities to support patient safety and the patient experience, to benefit caregivers to allow them more time and focus on the patient, and to reduce supply costs while ensuring that supplies are readily available.

Collaboration (again). Since the start of the implementation in the spring of 2018, we continue to meet as an integrated team. It's amazing the outcomes that can be achieved when you empower and encourage a team, and when a vendor like Cardinal Health becomes a trusted and valued part of our team. We are well on our way.

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Learn more about Cardinal Health's supply chain strategy.







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Cardinal Health Professional Services At a Glance

Capabilities

			
Consulting	Project Management	Data and Analytics	Labor Augmentation
<ul style="list-style-type: none"> ● Department and System Assessments ● Vision Mapping and Roadmap Development ● Warehouse and Logistics Planning ● Spatial and Storage Recommendations 	<ul style="list-style-type: none"> ● Long and Short Term Project Management ● Process Mapping ● Inventory Optimization Projects 	<ul style="list-style-type: none"> ● Inventory Velocity Analysis ● Inventory Transfer Identification ● Clinical Product Attribution ● PAR Analytics and Optimization 	<ul style="list-style-type: none"> ● Transitional Leadership ● Solution Implementation Support ● Supply and Re-Ordering Management

Our Approach

<p>Assess</p> <p>Onsite assessment of all supply areas in scope</p>	<p>Design</p> <p>Options and recommendations to meet goals, budget, and current challenges</p>	<p>Execute</p> <p>Project manager will stay onsite to help complete the project through execution</p>	<p>Adopt</p> <p>Mentoring to assist in future success and adoption</p>
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III. A Better Way

Hospitals that recognize the competitive advantages afforded by strategic alignment and automation are better positioned to optimize supply chain operations. Cindy Meaurall, Director, Consulting Services and Support at Cardinal Health, should know because she and her Professional Services team routinely work with providers to help them optimize workflows and reduce the total cost of supply management. In her work with providers, Meaurall has seen that the most impactful approaches to alignment of people, process, and technology have several defining characteristics, which are explored here.

Specific Stage of Change

Approaches to supply chain solutions differ greatly by hospital. According to Meaurall, change management of people and process workflows goes through a four-stage process. Hospitals must first identify which stage of change they are in (see below).

Wherever hospitals are in the change process with their supply chain, the Professional Services team can help them move forward with their initiative. As Meaurall explains, in contrast to the INTEGRIS Health success story discussed earlier, some supply chain leaders may not fully know what their current state is, while others may know exactly what the problems are but not yet figured out the step-by-step process needed to get to the future.

“In general, if customers do not know the root cause of their current state, our team will do an assessment,” says Meaurall. “If they need input on how to get to the next stage, we will design a roadmap for them. If they do not have the resources or tools to enable change, we will provide the resources to do the execution work. And if they do not know how to sustain the change and are at risk of going backward, we will work with them to develop an adoption plan.”

THE FOUR STAGES OF SUPPLY CHAIN CHANGE

STAGE ①

Awareness

Are details of the current state recognized? Why is change needed? Are the roadblocks to change known?

STAGE ②

Knowledge

Is there a roadmap to get from point A to point B? What are the next steps? Where and when will the process start?

STAGE ③

Ability

Can change be enabled? Are there enough resources?

STAGE ④

Reinforcement

Can the change be sustained? Is there a process for accountability?

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Shared Buy-In

When working to align people on process, supply chain leaders and their industry partners must establish mutual support and buy-in among clinical and administrative stakeholders alike. "A good marker of any consultative supply chain service is putting forth a plan that is achievable," says Measurall.

An authentic approach to client engagement allows the Professional Services team to go beyond the role of vendor to that of being a true member of our team. "We will be in scrubs and we will work right alongside the caregivers to help solve problems and enable a new way of doing things," says Measurall.

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Removal of Barriers to Alignment

Ensuring that a hospital's supply chain strategy is bolstered on all fronts includes alignment of people and process. Lean thinking and collaboration can help with mapping new workflows and laying out a labor plan in a manner that helps people envision the future state. "Once people accept that the change and the process steps to get there are feasible and necessary, then they start to believe change is possible," says Measurall. By developing approaches to supply chain initiatives that forge alignment, the Professional Services team can play a vital role in helping supply chain leaders execute their supply chain strategies.

Automation at the Right Time

Automated solutions can address many supply chain challenges, but Measurall is quick to point out that automation should be avoided if appropriately supportive workflows are not in place. "Otherwise, an organization is simply automating its chaos and not taking into account all the workflow issues that need to be resolved first," says Measurall.

By developing approaches to supply chain initiatives that forge alignment, the Professional Services team can play a vital role in helping supply chain leaders execute their supply chain strategies. Supply chain leaders can benefit from understanding the characteristics of impactful change management as well as common barriers to the alignment of people, process, and technology when adopting an automated solution.

Learn more about how the right leadership traits enhance supply chain innovation and long-term growth.



IV. Results and the Positive Impact of Alignment

In spring 2018, INTEGRIS Health began a 36-month implementation of the Cardinal Health inventory management solution across 31 Heart Cath Lab, Interventional Radiology, and Surgery departments. Together, INTEGRIS and Cardinal Health established a goal to save more than \$10 million over the first 5 years once implemented: "These savings will come from eliminating waste, better product par level management, and optimized service line efficiency," says Ziehme.

In just the first 6 months of implementation, INTEGRIS has seen powerful results. "Cardinal Health's inventory management solution has been a game-changer across INTEGRIS, in particular with automated inventory management in the OR and cath labs," says Ziehme. "Our clinicians are already so happy."

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Looking ahead to when the solution is fully implemented, the overall inventory posture of INTEGRIS will be visible from an integrated dashboard view with the ability to drill down to individual hospitals and departments to look for supply risk and optimization opportunities.

"Cardinal Health is proving to be a key contributor in enabling our hospitals, cath labs, and OR departments to align and talk the same inventory management language," says Ziehme. "When you get a few early wins, the solution catapults itself forward. Word spreads and people start asking, 'How soon can we get inventory management automation at our facility?' What a great problem to have."

Learn how Cardinal Health has helped other hospitals with inventory management.



ABOUT CARDINAL HEALTH

Cardinal Health is a global, integrated healthcare solutions company, providing necessary support to help customers and patients navigate the complex healthcare landscape. We provide vital products, world class services, and customized solutions for hospitals and health systems, pharmacies, clinical laboratories, ambulatory surgery centers, and physician offices worldwide.

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