



Thomas Jefferson University Hospital

Changing a hospital's attitude about consultants

In early 2000, faced with a spiraling supply cost per case, Tom Lewis, President and Chief Executive of Thomas Jefferson University Hospital (TJUH), Philadelphia, had a problem. He was reluctant to get outside assistance, as his experiences with consultants had not always been productive. Being an independent thinker, however, Tom decided to engage the Renoir Corporation, a company that had little experience in healthcare at the time.

"I am very impressed with what we have been able to accomplish with the dedicated assistance of Renoir. They have delivered on all of the commitments they made in developing the project schedule – often ahead of schedule – and turned around even those most skeptical about the ability of consultants to provide added value."

Tom Lewis
CEO

Key Results

Stock down 36%

33-40% increase in
inventory turns

98% (all time high)
order fill rate

Creation of a new
core culture

ANALYSIS

Renoir carried out a three-week survey of the supply chain on two sites (TJUH and Methodist) to understand the issues within the inventory control and distribution systems. It was felt that Methodist would not benefit sufficiently from a project but a comprehensive program was proposed for the main site, TJUH. The proposal identified improvement opportunities in:

- Balance sheet inventories
- Point of care inventories
- Pharmacy inventories
- OR inventories

A review of the existing MIS was also recommended.

FOCUS PROCESS™ & IMPLEMENTATION

The selection and training of a TJUH Task Force was a key step in getting buy-in and ownership throughout the hospital. Results from specific areas included:

Balance sheet inventories:

- 36% reduction
- 33% increase in stock turns
- 98% all time high order fill rate

Point of care (POC) inventories:

Borrowing from the manufacturing sector and developed with the nurses, a KanBan type system was installed to reduce and make more accurate, POC inventories, the results of which prompted a physician to say: "There should be a picture on the wall of whoever has come up with this idea!"

Pharmacy:

Measurable effects were:

- 33% reduction in inventory
- 40% increase in stock turns

Operating Rooms:

The ambitious aim of standardizing and reducing general medical and surgical supply stocking points was achieved with no adverse effect on patients. OR staff readily took on responsibility and accountability

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for managing supplies through a highly consultative approach, a big change from previous consulting assignments. As Marie Moody, Supply Technician, OR explained,

"This project has completely changed the hospital's attitude to consultants."

CONCLUSION

Project stakeholders were unanimous in their agreement that the project had delivered in excess of its original promise. Sustainable operational improvements from the project include:

- Implementation of improved processes to optimize supply chain management for the long term
- Implementation of new Management Control Systems to monitor processes, maintain compliance and continue improvements
- Creation of a core culture that understands the importance of managing the supply chain in hospital operations and acts accordingly
- Development of taskforce members to carry on and expand supply chain optimization efforts after project completion

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