


**“BUT I REALLY WANT IT”**

SUPPLY CHAIN MANAGEMENT


BEVERLY FOLKEDAHL  
NPUAP FEBRUARY 26, 2011



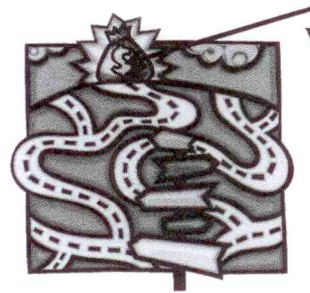
**OBJECTIVES**

- Understand basics of supply chain management and value analysis
- Understand the role of group purchasing organizations
- Understand the role of the end user in the process

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**DIFFERENT PROCESS**




VALUE

3




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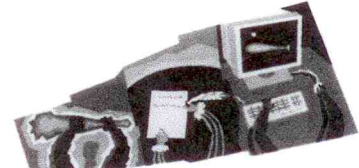
**WHAT IS SUPPLY CHAIN MANAGEMENT?**

- Right item
- Right amount
- Right place
- Right time
- Right price
- Right relationships

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**EVOLUTION OF SCM**



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**WHAT MAKES SCM WORK?**

- Senior leadership
- Ownership/Stewardship
- Lean principles

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**HOW DO CLINICIANS FIT INTO SCM?**

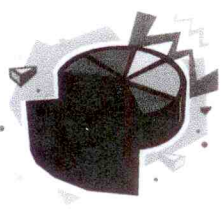
- Advocate of SCM
- Peer relationships



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**CHANGING CLINICIAN BEHAVIOR!**


- Data talks



9 Robert York, "5 Building Blocks for changing clinician behavior" Healthcare Purchasing News, Dec 2009

**CHANGING CLINICIAN BEHAVIOR**

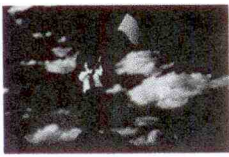
- Team leader



10 Robert York, "5 Building Blocks for changing clinician behavior" Healthcare Purchasing News, Dec 2009

**CHANGING CLINICIAN BEHAVIOR**

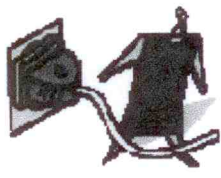
- Don't give up



11 Robert York, "5 Building Blocks for changing clinician behavior" Healthcare Purchasing News, Dec 2009

**CHANGING CLINICIAN BEHAVIOR**

- Keep involved



12 Robert York, "5 Building Blocks for changing clinician behavior" Healthcare Purchasing News, Dec 2009

 **WHO ARE THE PARTNERS?**

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- Vendors
- Alliances
- GPO's
- Internal partners

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 **EXTERNAL PARTNER**

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- Vendors




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 **EXTERNAL PARTNER**

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- Alliances

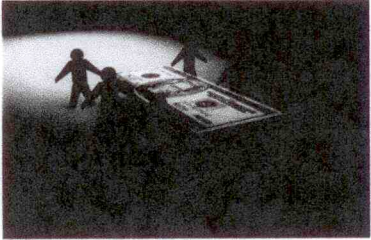


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 **EXTERNAL PARTNER**

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- Group Purchasing Organizations (GPO's)

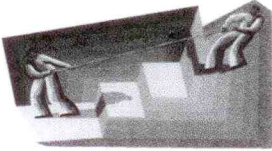


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 **CONFLICT OF INTEREST**

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- What is it?
- What is covered?
- 



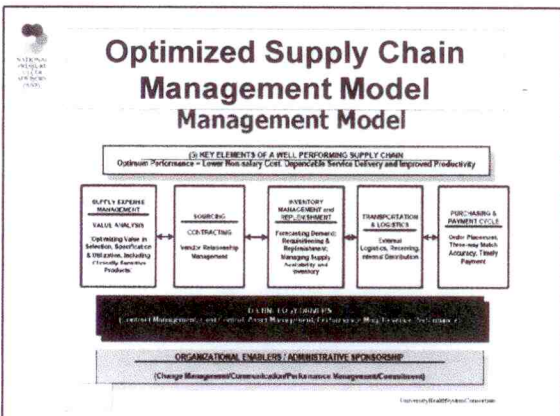
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 **INTERNAL PARTNER**

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- Senior leadership
- Stakeholders
- IT
- Procurement Services

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**WHAT MAKES SCM WORK?**

- Expense management and value analysis

University HealthSystems  
 Cincinnati 2010

**HOW IS CLINICAL PREFERENCE DETERMINED?**

- Remember—clinical, not personal!

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**WHAT MAKES SCM WORK?**

- Contracting for supplies

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**WHAT MAKES SCM WORK?**

- Inventory management on all levels

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 Cincinnati 2010

**WHAT MAKES SCM WORK?**

- Transportation and logistics

University HealthSystems  
 Cincinnati 2010

**WHAT MAKES SCM WORK?**

- Purchasing and payment cycle

University HealthSystem Consortium 2010

**WHAT IS VALUE ANALYSIS?**

- Systemic approach
- Improve cost/performance

University HealthSystem Consortium 2010

**I WANT IT**

- Function?
- Necessity?
- Anything less costly?

University HealthSystem Consortium 2010

**IF DONE WELL...**

- Reduced material use and cost
- Reduced distribution cost
- Reduced waste
- Improved profit margins
- Increased customer satisfaction
- Increased employee morale.

University HealthSystem Consortium 2010

**MODEL**

The graph illustrates the trade-off between clinical and fiscal acceptability. The y-axis represents the 'Acceptance Level' and the x-axis represents 'Cost'. A downward-sloping line labeled 'Fiscal Acceptability' indicates that as cost increases, fiscal acceptability decreases. An upward-sloping line labeled 'Clinical Acceptability' indicates that as cost increases, clinical acceptability increases. The intersection of these two lines is marked with an arrow and labeled 'The least expensive product that meets clinical requirements'.

D. Hermans "Achieving balance between clinical acceptance and cost saving" Healthcare Purchasing News August 2010

**STANDARDIZATION VS. CUSTOMIZATION**

- What saves the most \$?
- Consider 80/20 rule

**WHAT IS MY ROLE?**


- An individual without information can't take responsibility. An individual with information can't help but take responsibility.

Jan Carlzon

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**THE GOOD OLD DAYS!**


- See it
- Try it
- Get it



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**TODAY**


- See it
- Paperwork
- Trial
- Paperwork
- Financial analysis



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**TODAY**

- Presentation
- Approval
- Education and policy change
- Determine par levels
- Stock the item



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**PRODUCTS COMMITTEE**


- Get on it!!
- Be the expert
- Develop your alliances




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**MOVE FROM CHEAPER TO SMARTER**


- Benefit to the workplace more than just a way to save money.



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 **CASE STUDIES**

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 **Coming together is a beginning. Keeping together is progress. Working together is success. Henry Ford**

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**Team Work**



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