

The current economic crisis is the best motivation you need to reduce Health Care Logistics costs!

Hospitals and GPOs must examine every opportunity to reduce and manage hospital logistics expenses while providing flawless customer service.

There's a pressing need to review health care practices in order to improve hospital/care provider operations and bolster their efficiency and effectiveness. Improved operations should provide better cost control, while maintaining the quality of care delivered to the public. Hospital logistics is one such process, in which the goal is to efficiently deliver medical supplies and devices to the patient. Hospital logistics operations almost always have the potential for expense reductions and efficiency gains.

Logistics, a poorly understood and often unappreciated process, accounts for a sizeable portion of a hospital's operating budget. Studies have shown that 30% to 46% of hospital expenses are invested in various logistical activities and that almost half of the costs associated with supply chain processes could be eliminated through the use of best practices.

In the current context, where health institutions must carefully manage public funds, and where public accountability and patients' rights are becoming more and more pressing, improving the logistics process through the implementation of best practices has become a must. Identifying best practices by benchmarking the hospital/care provider logistics process can help facility managers find cures for the ailing health sector.

Improve Space Utilization Through Inventory Storage Area Consolidation

Analyze inventory policies, storage methods, and facility layout improvements to reduce overall storage requirements, decrease use of secondary storage areas, and reduce congestion in existing warehouses and stockrooms. Reductions in obsolete inventory and properly designed space will facilitate consolidation, reduce the logistics footprint and potentially provide expansion for other functions.

Centralized Receiving and Warehouse

In a multiple hospital/clinic regional network, having a centralized warehouse to control the flow of goods and balance inventories across the network not only improves warehouse efficiency, but improves material control, accessibility, security, rotation, obsolescence and reduces stock-outs.

Outsourcing Warehouse Function

For existing hospitals with expansion constraints, developing a partnership with a third party warehousing service can generate on-site space for other functions, reduce future capital investment, and often improve the logistics service function for a single hospital or multi-hospital network if done in a detailed selection process and well thought out.

Leverage Best Practices to Improve Productivity

Hospital logistics are often ruled by one-off responses versus pro-active planning, leveraging visibility to inventory and scheduled activities. Blending proper inventory and visibility tools with across-the-board logistics best practices will minimize labor and reduce product touches.

Improve Major Medical Device and Equipment Management

Understanding how to best place, allocate, and coordinate owned, leased, and consigned specialized equipment in a single or multiple facility network can be a daunting task. Centralized coordinating for delivery, storage, and tracking will generate significant operation gains throughout the overall hospital operation.

Deficiencies That Drive Up Logistics Operations Costs

People



- Poor Processes
- Excessive Travel
- Unnecessary Touches
- Limited Planning
- Limited Reporting & Accountability

Space



- Obsolete Materials
- One-off Inventory
- Inefficient Layout
- Incorrect Equipment
- Duplicate Safety Stock
- Reactive Management

Our Hospital Logistics service identifies cost reductions and service improvements which yield quick and significant return on investment:

- We reduce costs without disrupting service.
- We find the hidden costs often buried in status quo processes and unnecessary moves.
- We realize savings of 15-30%, which begin in as little as 2 months.

For over 30 years Tompkins Associates' logistics consultants have designed and integrated end-to-end solutions for Health Care companies that embrace supply chain excellence. Our Health Care Logistics service identifies and addresses your logistics operations cost drivers with the right initiatives. The result – you gain lower costs and higher levels of service.

A few of our Health Care Clients:



Atlantic Health Sciences Corporation
Corporation des sciences de la santé de l'Atlantique



We Deliver!
Armed with knowledge of your operational needs, we:

- Discover and disclose all performance gaps and opportunities such as process changes, warehouse layouts, inventory management and strategy, and overall best practices
- Analyze your hospital logistics processes: planning, executing, and performance (staff, management, and support)
- Qualify and quantify each improvement opportunity
- Implement design changes with your internal planning team for both new construction and retrofits
- Implement opportunities that yield cost reductions

Tompkins Targeted Benefits:

Operating Cost Reduction

- ✓ Improved operating process, material flow, and layouts
- ✓ Space reduction
- ✓ More efficient order processes
- ✓ Inventory reduction
- ✓ Improved inventory accuracy and reduced safety stock

Service Improvements

- ✓ Faster material turnaround
- ✓ Faster replenishment cycle times
- ✓ More flexible emergency response capabilities
- ✓ Greater visibility
- ✓ Improved supplier/customer communications and tracking

Focused Business Opportunities to Improve Your Logistics Operations

Business Opportunities	Solutions	Typical Benefits
Decrease logistics operations spend while maintaining or improving service	<ul style="list-style-type: none"> • Audit and analyze current spend; quantify reduction opportunities; define actions to capture benefits • Review layout, equipment, systems and implementation of best practices • Analyze efficient use of LSPs and centralized warehousing • Create portfolio of quantified opportunities and implementation strategies • Measure results for on-going success 	10-30%
Improve logistics space design and flow	<ul style="list-style-type: none"> • Assess appropriate space needs and identify appropriate equipment and methods • Review material flow paths, accessibility, and security in conjunction with all site supply services • Optimize shared areas and functions across all site services including third party services 	10-30%
Optimize effectiveness of the logistics management and staff	<ul style="list-style-type: none"> • Assess on-site skills and define knowledge gaps • Analyze business processes and practices • Integrate the use of new equipment and technology features into existing business practices • Identify quick wins and action plans • Facilitate training and knowledge sharing 	5-20%

Once identified, cost reduction opportunities:

- Can be implemented rapidly
- Quickly generate payback
- Better leverage existing space, systems and equipment
- Generally have short payback periods

For more information or to discuss getting started, contact:

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