



The Polyclinic reduces costs and maintains optimal inventory levels

Client name: The Polyclinic

Location: Greater Seattle area, Washington state

Industry: Healthcare

Challenge

- Improve the delivery and availability of standard medical supplies at the point of use
- Decrease inventory
- Free up clinical staff

Solution

- Microsoft Dynamics ERP
- DXC Health360™ Materials Management
- Powerful automation through requisition management, efficient procurement, fulfillment processes, PAR management and purchasing cycles

Results

- Achieved a 99.4 percent fill rate
- Delivered items to exact point of use with increase of only one materials employee
- Reduced costs by maintaining optimal inventory levels, reducing overstock and waste of expiration-dated items

The Polyclinic reduces costs and maintains optimal inventory levels

The Polyclinic is a physician-led multispecialty clinic with locations throughout the greater Seattle area that include both primary and specialty care. When you come to The Polyclinic, you're not just seeing one doctor, you're tapping into a dedicated team with a wealth of experience and expertise, a team with one goal: to do what's right for you. The clinic has attracted some of the most respected physicians in the country, creating a progressive, forward-thinking multispecialty clinic offering the best possible patient care.

Like most healthcare systems, The Polyclinic previously had a manual materials-management process, and managing and minimizing supply chain costs was paramount. Access to the right supplies when and where they were needed was challenging but essential to providing safe, high-quality healthcare.

Surveys, physician feedback and observations from The Polyclinic's materials management team revealed that medical supply replenishment was inefficient. Clinical staff, who were already overtasked, had the added burden of reordering from materials management when their perception was that supply volume was low. "We trusted the staff to order supplies based on perception versus actuality, and it was never precise," explains Jeff Wall, materials manager at The Polyclinic. "Add to that seasonal illnesses such as cold or flu, and we would run out of supplies. It led to hoarding in some of the clinics, which meant we were overstocked for some materials."

Leaders at The Polyclinic knew they had to make a change and improve medical supply replenishment. The main objective of the project was to improve the delivery and availability of standard medical supplies at the point of use, while decreasing inventory and freeing up clinical staff. Additionally, The Polyclinic wanted to:

- Reduce involvement of clinical staff in logistical activities such as reordering, unpacking and storing supplies to increase available time with patients
- Reduce stock-outs, the fear of which led clinical staff to hoard supplies, forage for supplies from other procedure rooms and reorder in excessive quantities
- Reduce inventory levels to decrease costs, decrease the likelihood of expired supplies and reduce storage space requirements
- Prevent frustration and embarrassment by physicians searching for supplies in understocked rooms while with patients
- Rationalize the number of stock-keeping units (SKUs) maintained by each practice to avoid tracking very infrequently used or obsolete supplies
- Eliminate expired drugs and supplies

"Ultimately, we wanted to have no more than 5 days of inventory on hand — a very aggressive goal for a clinic supporting 24 different specialty lines," Wall says.



“The Polyclinic was able to roll out a flexible medical supply chain that keeps inventory low while providing the right product at the right time in the right amount.”

Jeff Wall
Materials Manager
The Polyclinic

Solution

DXC Technology assisted The Polyclinic in deploying an innovative, lean manufacturing process commonly used outside the healthcare industry for its materials management: Kanban. Translated as “card” or “billboard” from the Japanese, Kanban is a scheduling system for lean and just-in-time (JIT) manufacturing.

Working with each practice, the materials management team started by rationalizing the number of required SKUs, especially for unique low-usage items. Exam rooms were then standardized, including identical storage compartments for all supplies. “If it’s an item that only one specialty practice uses, we planned for a little more cushion,” says Wall. “For common items used by up to 19 different inventory sites throughout our clinics, we could reduce the amount of inventory on hand.”

Inside each compartment, loose stock is placed and a safety stock bundle is bound by a rubber band with a resupply Kanban card attached. The Kanban card is printed from DXC Health360 Materials Management powered by Microsoft Dynamics. Once all loose stock is used, the clinician simply removes the rubber band and places the safety stock in the compartment. The resupply card is then placed in a slot outside the exam room. At night, these cards alert materials staff about which rooms require restocking and which supplies to replenish with new loose stock and a new safety stock bundle with an attached Kanban card. The card is scanned into the solution via a handheld device and a replenishment order is created. Scanning the card allocates the cost of the materials to the correct department. “We are using over 500 bins that support over 300 exam rooms across our clinics,” says Wall. “It’s great because replenishment magically happens overnight by our materials handlers, and accountability is now so simple.”

Resupply closets utilize a two-bin system. Different, brightly colored bins signify different departments (no more borrowing from other departments). The second bins, or safety stock, are red to signify that an order needs to be placed for that item. Resupply orders are placed weekly and delivered the next business morning to the closet by the vendor, allowing for just-in-time delivery. The resupply orders are created, and the solution creates the requisition and purchase order for the supply orders.

Results

The Polyclinic has streamlined its supply chain and reduced inventory turns, carrying costs and waste from expired materials. By achieving a 99 percent fill-rate in the beginning, user confidence in the new replenishment approach was high from the start.

The project was executed in conjunction with the relocation of 23 disparate departments into a new facility. Materials management developed, piloted and then fully implemented the revamped replenishment approach within 6 months, which was timed with each practice move.

Materials management bundled and loaded all 340 exam rooms before staff moved in, thus making exam rooms turnkey ready. “We have experienced savings on the clinical side of our business, and the new materials management system has improved morale in general,” says Wall. “The doctors and nurses had to have a high level of trust and faith in us in order to execute a lean materials management project, and it has paid off,” continues Wall. “If a doctor or nurse reaches for a syringe, the expectation is that it will be there, and it’s a big deal that we currently have a 99.4% fill rate.”

Through the use of DXC Health360 Materials Management, “The Polyclinic was able to roll out a flexible medical supply chain that keeps inventory low while providing the right product at the right time in the right amount,” says Wall. “It’s a risk to operate in such a lean manner, but even if we run out of something, we now have meaningful data to review, determine why, and fix the problem.”

Learn more at http://www.dxc.technology/enterprise_and_cloud_apps/ds/145034-dxc_eclipse and http://www.dxc.technology/enterprise_and_cloud_apps/offerings/145028/145095-dxc_health360_materials_management

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