

Mid Cheshire Hospitals NHS Foundation Trust Improve Data Transparency in Orthopaedic Procurement **Reducing Clinical Time on Stock Management by 74%** and **Product Recall Processes by 92%**

“

Time freed up for senior staff can be spent on training and support for junior members of the team and means that we have more time available to be in theatre.

”

Claire Chesters, Clinical Lead
Mid Cheshire Hospitals NHS Foundation Trust



Challenge

Mid Cheshire Hospitals NHS Foundation Trust recognised the need to place governance and control at the heart of its procurement processes. The key factor in achieving this was attaining the highest levels of data transparency across all non-pay spend. While materials management systems and processes provided good control and management information on every day consumables, more specialist areas with higher value items like orthopaedics were managed by clinical staff, using manual processes.

Apart from distracting them from their core responsibilities, the processes were not able to provide the trust with the management information they needed to evaluate value for money on the orthopaedic non-pay budget.

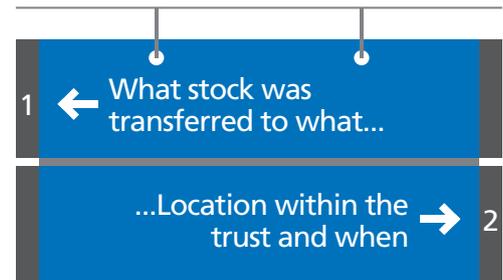
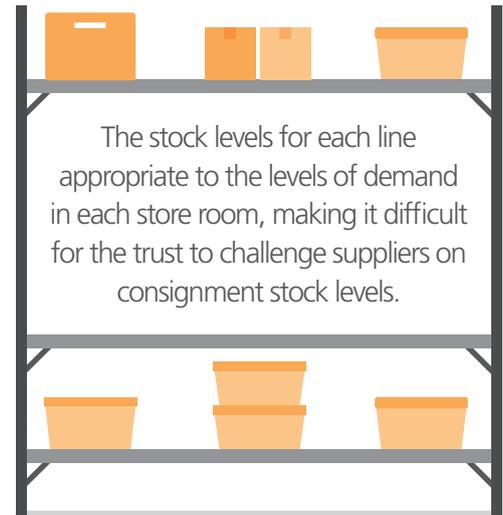
Consignment stock added a greater level of complexity to the process, exacerbated by the lack of management information and the failure by some suppliers to manage stock. This resulted in ownership issues on expired stock and additional stock management responsibilities for Clinical teams.

“ Before eDC Gold, we did not know what consignment stock we actually had.

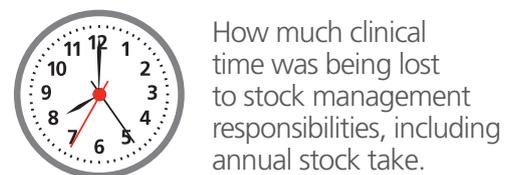


Clive Mosby, Head of Procurement,
Mid Cheshire Hospitals NHS Foundation Trust

The type of information they could not access was:



CHARGE£S
Which products attracted carriage charges.



What was the
split
ON TRUST OWNED
STOCK
Vs.
CONSIGNMENT
STOCK



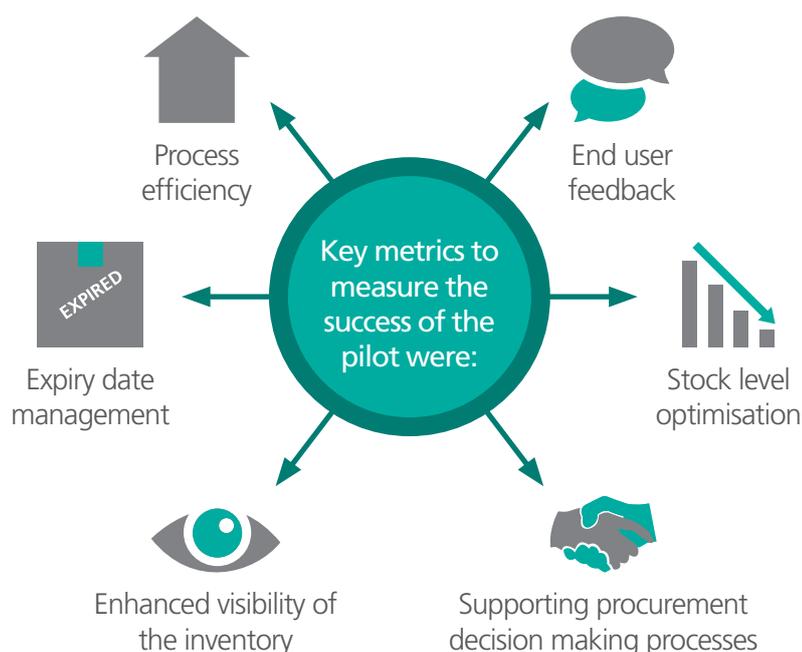
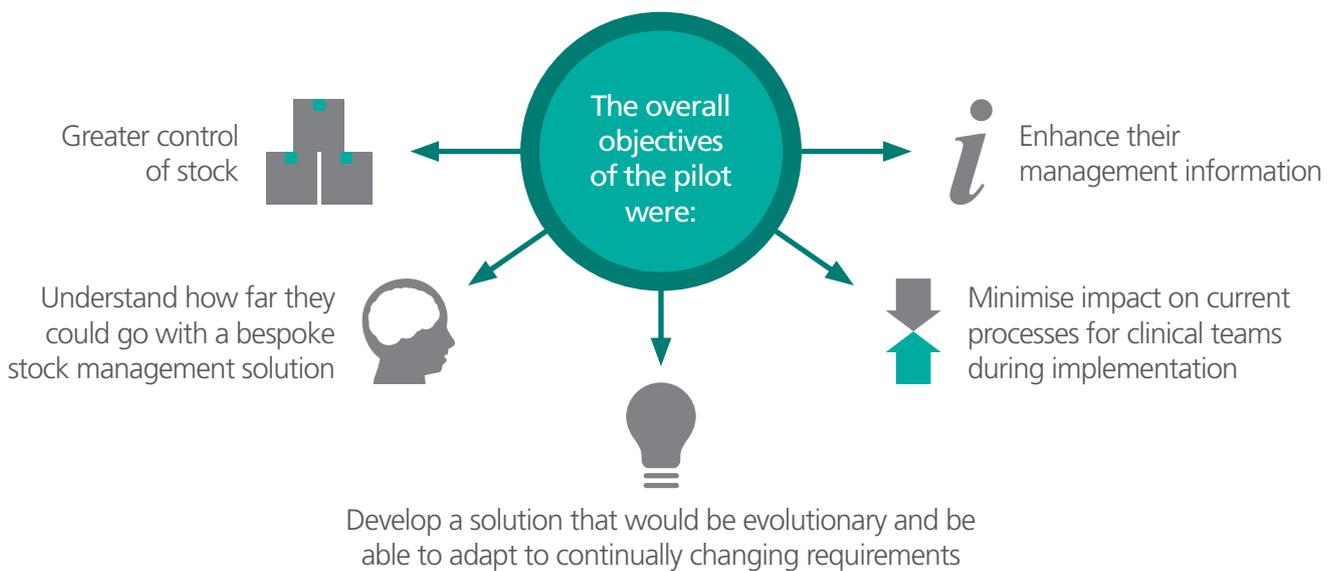
The cost to the trust of expired stock each year.

Solution

The trust needed to find a materials management solution for orthopaedics but it needed adapting to ensure it would work with their “issue” model of stock management i.e. tell what stock had been used where and when, rather than a “replenishment only” model.

Not convinced by the return on investment demonstrated by a number of “off the shelf” systems being used in other NHS organisations, the trust agreed to work with NHS Supply Chain to develop their eDC Gold managed inventory system.

Building on the testing and developing of the system within an area of their domestics department in 2012 which had a similar “issue” model, they agreed to work in partnership with NHS Supply Chain to develop it into a bespoke stock management solution for orthopaedics.



“The team no longer have to stay late to enter requisitions, requisitions can be quickly placed at any point in the day.”

Claire Chesters, Clinical Lead,
Mid Cheshire Hospitals NHS Foundation Trust

Solution



eDC Gold – a bespoke solution for materials management

Like NHS Supply Chain's standard eDC materials management system already used by the trust, eDC Gold requires the user to scan product bar codes on receipt and issue to manage stock levels and triggers an order once the threshold is reached. However, that is where the similarities end.

eDC Gold not only tracks stock levels but stock movements as well, telling the trust where stock is, where it has been used (i.e. Theatre location, consultant, patient depending on configuration by the trust), which products are owned, which are consignment.



This enables consumption by location to be better understood, helping:

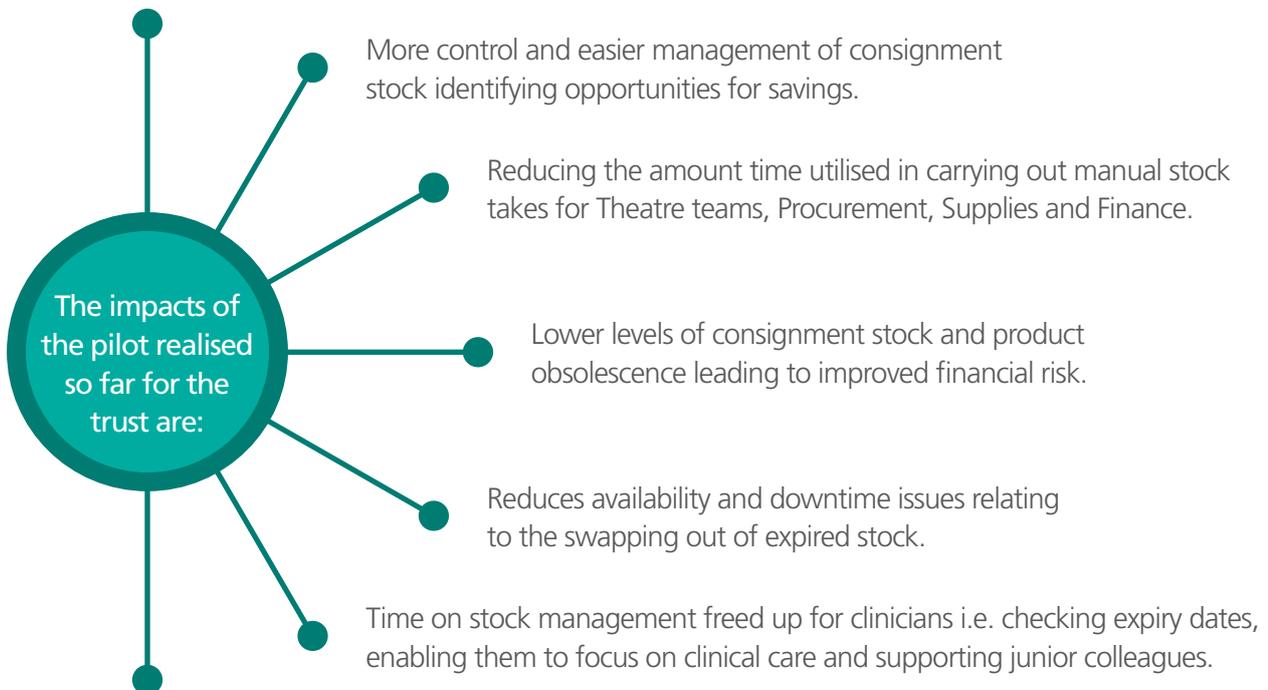
- Theatre teams to set stock thresholds at the right level and monitor changes in consumption on an ongoing basis.
- To inform discussions with suppliers about transfer of stock from consignment to owned or reduction of stock with carriage charges.
- Identify where there are higher risks of obsolescence and opportunities to standardise.

"I would rather put resource in to ensure a tool or system is used correctly by people rather than investing in more infrastructure."

Clive Mosby, Head of Procurement,
Mid Cheshire Hospitals NHS Foundation Trust

The Impacts of the Pilot

More confidence in stock availability leading to lower incidence of over ordering.



Improved understanding of orthopaedic product consumption enabling the trust to leverage their spend more effectively year on year helping to inform strategic procurement decisions (i.e. standardisation).

Results

£5,000

a month is being saved through reduced stock obsolescence, equating to **9%** of managed spend.



From Clinical/Clinical Support team plus 4.5 days from finance saved on the annual physical stock take.

74%

Reduction in resource required to manage the requisition process.

40%

Reduction in resource to manage "put away" process.

56%

Reduction in order processing time.

REDUCTION

92%

Reduction in product recall process time.

Further opportunities that are being reviewed but are not yet being measured are:



Product price improvements

– greater visibility of demand is helping the trust identify expensive consignment stock that can be owned and generate significant price savings as a result.



Annual stock take reduction

– negates the need for annual stock takes as the actual value of stock is captured in the management information from the system.



There is an increase in product traceability. Although we have not had a recall notice in the period of time the system has been running, knowing that if we do means we can save potentially hours by going to the system rather than having to go through books and books of patient records to identify affected items.



Claire Chesters, Clinical Lead,
Mid Cheshire Hospitals NHS Foundation Trust

Implementation

Stakeholder engagement

Approaching the project, Receipts and Distribution Manager Paul Hardy alongside NHS Supply Chain's eDC Gold Implementation team worked closely with the following stakeholders to ensure that not only did users buy into the system but consistently adopt the new ways of working required to maximise its benefits.

Table 1: Non-procurement stakeholder roles and priorities

Stakeholder	Role	Priority	Procurement action
Theatre Lead	In charge of orthopaedic ordering and stock management	Continuity of supply and minimal impact on ways of working for the Theatre team	Consult/Training and education
Deputy Director of Finance	Responsible for process compliance across the trust, to support governance requirements from Monitor	Demonstrate compliant stock management procedures in orthopaedics	Consult
Supplies and materials management	Responsible for stock replenishment across the trust	Understand the new way of working and how it aligns to their other responsibilities	Training and education
IT	Responsible for all IT systems across the trust	Impact of the new system on the trust's IT system	Inform

Implementation Process

Defining requirements

Working closely with Orthopaedic Theatres Lead, Jackie Nixon-Coaton her team and Receipts and Distribution Manager Paul Hardy, NHS Supply Chain's Healthcare Services team were able to map all their processes for the "issue model" of stock management used in the orthopaedic store rooms. In defining the requirements for the system, Jackie's priorities were:

- Ensuring the new ways of working had minimal impact on the Theatre team.
- Enough flexibility to evolve with the changing requirements of orthopaedic department.
- Provision of management information that would resolve ownership issues around expired consignment stock.
- Ability to track usage across multiple locations.
- Reduce time for the team on stock management.
- Assurances that the system would live up to its promise.

Paul then worked with NHS Supply Chain's team to ensure the system met the requirements of

Jackie's team, which led to the development of a project charter, agreed by both parties and the implementation began in November 2012. This work also included the setting of baselines for:

- Levels of stock obsolescence
- Resource required to manage the requisition process
- Order processing time
- Resource to manage "put away" process
- Reduction in product recall process time.

Data upload

NHS Supply Chain uploaded the trust's orthopaedic data to the system by January 2013 and set up stock profiles for each store cupboard.

However, a key learning from the data upload was ensuring the structure of product descriptions in the system enabled reports with meaningful data to be generated. As a result of this issue many of the 2,600 products originally loaded by NHS Supply Chain have had to be reloaded by the trust using a structure comprising of "what's on consignment/with who/their consignment level/stock location".

Training

NHS Supply Chain conducted the training with the Theatre and Materials Management teams on the system to enable the delivery of the following benefits:

- Shorter lead times from point of order to product delivery
- Less time on ordering and stock management
- Significant process time savings on product recalls
- Opportunity to evolve the system in line with constantly changing requirements in orthopaedics.

The key priority with the training was to ensure the system was used to its potential i.e. not just as a stock replenishment system.

System live

The system went live in February 2013 and now the trust has access to management information on usage by location across the trust, enabling them to better understand patterns of demand across the year. This is enabling the trust and NHS Supply Chain to have conversations with suppliers on potential savings through the transfer of consignment to owned stock.

As the system has been adopted by the Theatre team, the Procurement team have been the point of contact to resolve their issues and queries. However, with issues like changing product descriptions, setting up new profiles for each stock location, a key learning is for trusts using the system to map out and agree with NHS Supply Chain what they want to achieve with the system before piloting it. This will avoid a lot of the tweaks and rework that Mid Cheshire Hospitals NHS Foundation Trust has had to undertake so far in the pilot.

System evolution

The areas for development are the system itself and how it is being used in the trust. The following are key areas for identified for development:

- Continue to build the Theatre team's confidence in the system to manage the transition of stock management from band 6 clinical stakeholders to band 3 materials management specialists.
- Reduce time required to set up new stock locations on the system by enabling stock profiles to be copied across rather than creating them each time.
- Enable the system to provide an audit trail for stock takes.
- Build in functionality to enable multiple records to be manipulated during bulk uploads of new products.



To get the most from the system, trusts need to work out what they want from it and what they need to do to enable it to be adopted.



Paul Hardy, Receipts and Distribution Manager,
Mid Cheshire Hospitals NHS Foundation Trust

Process flow



Key Learnings

- Secure buy in from key stakeholders and understand their requirements up front to ensure the system is used to its full potential i.e. If Theatre teams do not have confidence in the system it will not be used to its full potential.
- Robust processes to manage the system effectively and resolve the supply chain problems it is identifying are as important as the performance of the system itself.
- Recognise and do not underestimate the need for realignment of resources and processes.
- Map ordering and stock management processes as this provides a clear baseline for benefits tracking and identifies areas for potential process changes to maximise system delivery.
- Build in additional time for a gradual transition in stock management duties from the Theatre team to Materials Management, even if it means band 6 staff performing those duties in the short term.
- Define structure for product descriptions prior to data upload, ensuring they contain:
 - What's on consignment
 - With who
 - Their consignment level.
- Failure to define the structure will duplicate time and effort later in the process, reloading products with usable descriptions.
- Once system is established use management information to identify quick wins (i.e. reducing the need for carriage charges for pre 9am deliveries) and longer term opportunities to initiate conversations with suppliers over reducing consignment stock or transfer of consignment to owned stock.

Next Steps

- Continue with expansion of system through addition of new ranges as they become available.
- Evaluate how the system is meeting objectives on inventory management strategy.
- Identify strategic procurement decisions which can be supported by the available management information.
- Make go/no go decision to adopt system for long term and recruit additional resource to maximise its benefits.

About the Trust

- Established in 1991 and achieved foundation status in 2008.
- Has 540 beds across three sites and employs 3,200 staff.
- Had a turnover of £176m in 2012/13.
- Opened a purpose built Orthopaedic and Fracture Clinic at the end of 2011.
- Has circa 12,000 orthopaedic attendances per annum.



It's pointless the report sitting on your desk, you need people to go and sort the issue out. For us to get the most from the system, we need the additional resource to start tackling the issues.



Paul Hardy, Receipts and Distribution Manager,
Mid Cheshire Hospitals NHS Foundation Trust

For Further Information

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GS1 - Working with the Department of Health's
eProcurement Strategy