



## SUPPLY CHAIN OPTIMIZATION

Impact Advisors has recently engaged with multiple clients to streamline processes and eliminate inefficiencies within their supply chain practices. Supply chain optimization plays a critical role in helping healthcare organizations achieve cost savings, operational efficiency, and patient satisfaction.

Our team of experts starts every supply chain project with a thorough data analysis, from which they gain insights and develop actionable plans. They validate these insights with key stakeholders and clinical administrators within the organization and work closely with them to adapt the plans to their supply chain needs.

### FOR MORE INFORMATION

visit [www.impact-advisors.com](http://www.impact-advisors.com)  
or call 800-680-7570

## Service & Supply Consolidation

A non-profit integrated health system with a 285-bed hospital, a 25-bed critical access facility, and a multi-specialty provider group partnered with Impact Advisors to assess their supply chain and identify cost-saving opportunities. Impact Advisors' labor optimization team had previously built a strong relationship with this health system, which allowed the supply chain team to establish trust quickly and hit the ground running.

After completing a high-level supply chain assessment and using industry benchmarking to identify key spend areas and opportunities, Impact Advisors' focus was directed to consolidating supplies and services to attain volume discounts. To achieve the targeted benefits, the Supply Chain project scope comprised a few deep-dive focus areas aligned with the health system's strategic objectives. Key initiatives included:

- Contract review and annual spend analytics.
- Target suppliers for competitive proposals and negotiations
- Determine net savings from consolidations and benchmarks.
- Built business cases for cost savings.
- Implement strategy with project plan and system leadership.

Impact Advisors worked closely with administrative and clinical stakeholders to address key spend areas, which included Pharmacy Distribution, Therapy Services, Clinical Laboratory, Physician Preference Items, and Support Services.

### Key Results

With a concentration on reducing non-labor expenses, Impact Advisors used industry benchmarking, negotiations, and competitive Request for Proposals (RFPs) to assist the health system in achieving a significant cost reduction of **over 5% of non-labor addressable expenses, with 124% savings to target implemented.**

*"Impact Advisors seems invested in the success of our organization just as much as people who have been with the company for years."*

**Chief Operating Officer**

# Surgical Services

An 11-hospital Florida health system engaged Impact Advisors to complete a thorough surgical services assessment. The organization faced challenges with inventory management and preference card accuracy, which in turn disrupted surgical workflows.

Inventory management is crucial for the effective running of a healthcare organization and poor inventory management can lead to severe inefficiencies across the health system, including increased costs, overstock or shortage of supplies, and poor patient care. In addition, incorrect or outdated preference cards can lead to inefficiencies in the operating room, including supply waste, provider frustration, and increased costs.

To address the inconsistencies in inventory management, Impact Advisors worked collaboratively with Surgical Services Supply Chain team members and clinical staff to:

- Implement a comprehensive inventory management system that helped establish par levels, visual reorder queues, reorder points, and reorder quantities.
- Enhance the existing PeopleSoft ERP system to improve inventory tracking through the completion of a Plan for Every Part (PFEP), which established precise par locations and up-to-date par levels.
- Utilize historical order data to ensure a more organized and accurate inventory.
- Label inventory cores to prepare handheld devices for streamlined ordering.

Next, a surgical preference card audit revealed significant variation in accuracy across service lines, highlighting an opportunity to update the cards to ensure precise information for case cart picking and billing. Further examination showed variation among different facilities in their current preference card operations. While some hospitals had a standard process in place that enabled swift updates to preference cards in the EHR, another hospital in the health system required a manual approach. Impact Advisors reviewed over 6,500 preference cards to ensure that the correct revisions were made to each one.

## Key Results

- Developed inventory management dashboards built with leading practice metrics.
- Successfully adjusted par levels to align with the actual needs of each facility.
- Reduced par under management by 30% at one hospital and 10% at another.
- Developed and refined a list of managed inventory items and assigned locations.
- Updated over 1,100 preference cards within the EHR.
- Created a standardized preference card maintenance process across service lines and facilities.
- Unified all preference cards to be consistent by the surgeon.

# Food Service

Impact Advisors was brought in by a Midwest hospital's Food and Nutrition Services department to optimize key purchased services. The former retail operations only served food until 2:00 PM for hospital staff and guests. The ROI did not support dinner and weekend meal services, and the hospital faced challenges receiving leadership approval to extend retail service access; therefore, many employees and guests were left without food options during that time.

To improve employee and guest satisfaction, Impact Advisors designed a service Micro Mart. Utilizing the current retail space and adding 300 product SKUs, new merchandising, surveillance cameras, and additional vendor equipment, the team was able to transform the space into a 24/7 café. After breakfast and lunch are served, the dining area turns into a self-service Micro Mart, which features grab-and-go products, meal replacements, additional snacks, and beverage options. No additional labor costs were added by adjusting job routines and reallocating night-time staff to areas that needed more resources.



## Key Results

Opening in February 2024, the Micro Mart successfully increased revenue and improved guest and employee satisfaction. The project also positively impacted the community. Local vendors were chosen to provide products for the Micro Mart, enhancing the variety of offerings available. ■

*"The installation of our 24/7 micro mart significantly enhanced the experience for our employees, especially those working second and third shifts. Our patients and visitors have benefited too, with convenient and delicious options available all day and night. Access to an abundance of food and beverage choices has been a game changer."*

**VP of Community Engagement**