



First trust-wide inventory management solution: Portsmouth Hospitals NHS Trust

What does a trust need to do to achieve supply chain excellence?

Portsmouth Hospitals NHS Trust represents the very best of how to implement a future-proof inventory management solution. As an early adopter of the most recognised and effective solution in healthcare, Portsmouth is leading the way and is heralded as the NHS benchmark for success; helping other trusts reach new heights in procurement practices.

Background

Portsmouth Hospitals NHS Trust (PHT) is responsible for the provision of hospital services to Portsmouth, Gosport and the surrounding areas of South East Hampshire. It provides comprehensive, high quality healthcare for both its local population of more than 650,000, and the extended population for whom it provides specialist and regional services.

PHT aims to be recognised as a world-class hospital, leading the field through innovative healthcare solutions, focus on the best outcome for patients, and deliver a safe, caring and inspiring environment.

To help achieve this, collaborative working with other organisations is of great importance to PHT, as demonstrated by its relationship with NHS South of England Procurement Services; a not-for-profit organisation hosted by the Trust which provides an A to Z procurement service to both NHS provider and commissioner clients.

This collaboration sparked a review of existing supply chain practices and procedures as part of its mission to incorporate innovation into all aspects of its services, remove outdated practices, and achieve significant savings.

Portsmouth Hospitals 
NHS Trust

The Challenge

With many hospitals struggling to respond to Government initiatives due to outdated systems that are unsuitable to meet the challenges and demands of today's modern hospital, inventory management remains an issue at a national level; a fact that PHT acknowledged very early in the process. Reducing costs, improving efficiencies, and providing quality patient services are of the utmost importance at PHT, and the Trust recognised that its existing approaches to procurement were not supporting these goals.



Alan Hoskins, director of procurement and commercial services at NHS South of England Procurement Services explains,

“Following an in-depth analysis, we recognised the full extent of the issues with our supply chain, and were eager to turn the tables on our operations.”

PHT faced a number of issues from lack of product visibility, and traceability, to product wastage, a lack of storage space, and antiquated systems that were highly dependent on input from clinicians. For PHT, inventory was a moving target; stock levels constantly fluctuated, product identification was difficult, and a range of storage places existed from designated stock cupboards to the desk drawers of individuals across the Trust.

Visibility of products in any hospital is crucial, and accuracy is essential at every stage. Alan continues, *“This wasn’t an issue that could be turned around with a short-term fix, we needed an invest-to-save approach to support our long-term plans, and ultimately the success of the Trust.”*

One of the main challenges in this project was the management of change and new processes, and utilising modern technology in a highly paced clinical environment, alongside a lack of base data, legacy system and defined processes.

Alan continues, *“Whilst rolling out the inventory management solution across theatres we also discovered that most products on the shelf did not have a unique identifier; 13 different types of barcode were found, and there were multiple codes from suppliers, distributors and manufacturers leading to a lack of clarity and poor data. What this did was highlight the need for GS1 standards, and hence our GS1 journey began.”*

The Solution

PHT focused on utilising inventory management as core to supply chain improvement, and its GS1 strategy, to achieve improved visibility and control. The project began with implementation of the solution across a 27 theatre complex and 40 supporting locations. A number of other areas including cardiology, audiology and wards have been completed or are underway, with plans to roll the solution out fully across the Trust.

Ingenica Solutions implemented a simple, powerful tool that is intuitive for staff to use. Whilst the project was initiated by the supply chain management team, the implementation process itself engaged a working team from theatres, clinical teams, finance, ICT, procurement and supply chain management. Alan continues, *“We’ve been able to use inventory management as a building block to ensure we are managing our supply chain efficiently. It also helps the Trust meet and exceed government requirements such as those in the eProcurement Strategy.”*

As the first trust wide roll-out of an inventory management solution in the NHS, PHT has reason to be proud. This project has seen PHT secure status as the leading force in the GS1 strategy; an early adopter of a best practice inventory management solution, and the only GS1 certified inventory management solution in the healthcare market. The new processes have enabled consolidation of orders, monitoring of supplier lead times, and data to support rationalisation and standardisation of products, all aiding an enhanced procurement process. Subsequently, this has helped to secure cost savings, provide patient level costing, and improve supply chain efficiencies and management information.

“The team at Ingenica Solution’s has helped us stay on top of smarter, more efficient procurement practices, and through the implementation of a best practice inventory management solution, has dramatically improved our operations; providing us with a bigger picture of supply chain management,” says Alan Hoskins.

The Benefits

Following implementation of the inventory management solution, real time results were secured in terms of both financial and service level; theatres management and procurement are now able to collate clear usage data, including costing and traceability down to patient level.

All-important financial efficiencies have been eclipsed with return on investment exceeding expectations, and significant savings achieved at a level of 8.5:1 to date.

PHT has benefitted from improved working relationships, as Alan explains, *“The procurement team is empowered to provide a truly proactive service, agreeing with clinicians what is needed and ensuring supplies are delivered at point of use. Clinicians are therefore no longer tangled up in administration duties, so have more time to undertake the job they came in the healthcare profession to do.”*



Benefits:

- **Cost savings**
 - More than £1.78 million in balance sheet savings
 - Consignment stock savings of £350,000
- **Releases clinical time back to the front line**
 - Three whole time equivalent clinical posts saving £108,000
- **Provides accurate real time data, stock valuations and usage, per speciality**
- **Improved management of consignment stock creating in excess of £200,000 savings**
- **Increases contract coverage**
- **Manages expiry dates**
- **Reduces and records wastage:**
 - £885,000 stock reduction – 13%
 - £31,000 space savings
 - Reduction in product lines by 1,300
 - Waste reduced by £75,000 through negotiation with suppliers and through a rigorous prioritisation of short life stock
- **A cleaner more organised environment**

What this means is that the efficiencies achieved also benefit the patients as clinical time has been released back to the front line as clinicians are able to allocate more time to the patient.

Control, purchasing accountability and visibility has been totally turned around. For instance, clinicians no longer order products as and when needed from their own choice of suppliers. Instead, requests are automatically captured and purchase orders raised for repeat items. For new or specialist items these are submitted to a theatre product review board made up of clinicians, finance and procurement staff to decide whether to grant approval, depending on whether there is a financial or clinical need for the product.

The changes have also led to a cleaner, more organised environment. Within theatres, stock is now centrally located in one, secure, organised stock room, which has also removed the need for clinicians to store their own supplies.

Alan Hoskins says: "One of the most important factors to enable the NHS to act smarter with budgets, and become truly world class, is innovative technologies, and through our work with Ingenica Solutions, we've been able to make great strides in revolutionising the way we spend money, and as a result have achieved measureable gains."

The Way Forward

Shortlisted for industry awards in recognition of its use of technology to improve efficiencies, PTH has an enviable reputation within the NHS for excellence in inventory management, and early adoption of the GS1 strategy.

As a best practice example, Trusts across the UK visit Portsmouth to review the system and work completed by the team, with a view to applying the same processes at their own trusts.

Together Ingenica Solutions and South of England Procurement Services, Portsmouth Hospitals NHS Trust Procurement service, have also created white papers and secured speaking slots at a number of exhibitions and events to demonstrate the opportunities that inventory management solutions provide.

Alan explains "Dissemination of best practice across the industry is essential if the NHS is to maintain its world-class status. As part of our strategy to achieve supply chain excellence, it's been a challenging, yet rewarding journey; and sharing our information and experiences across the healthcare community will help others moving forward."

As part of this, South of England Procurement Services has also developed an inventory management framework that all NHS organisations can use reducing the time required to adopt this technology.

Inventory management is of course core to supply chain and procurement improvements, and through adopting this approach trusts can achieve efficiency savings while also ensuring that high levels of care provision are maintained. This is exactly what Portsmouth Hospitals NHS Trust has achieved, and the reason why is heralded as the NHS benchmark for success.

For more information or if you would like to speak with one of our team why not contact us on the details below and follow us on social media

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