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Lancashire Procurement Cluster



## How GS1 standards have helped transform inventory management within the NHS

### East Lancashire Hospitals NHS Trust:

### Inventory management solution investment pays for itself three-fold in first year

***The impact of implementing Ingenica 360 IM solution at East Lancashire Hospitals NHS Trust (ELHT) has been enormous. Working collaboratively with Ingenica Solutions has accelerated the adoption of GS1 standards to transform inventory management – greatly improving efficiencies across the frontline and back office at the Trust.***

***For ELHT, investment in Ingenica 360 IM has paid for itself three-fold in the first year – a striking achievement, placing the Trust in a strong position to secure greater savings and efficiencies moving forward.***

### Background

The Lancashire Procurement Cluster (LPC) is a ground-breaking shared service which is creating a step change in procurement and supply chain maturity for the member trusts: Blackpool Teaching Hospitals NHS FT, East Lancashire Hospitals NHS Trust (ELHT) and Lancashire Teaching Hospitals NHS FT. It is fundamentally reshaping the role of procurement and logistics across the local health economy to ensure the service is fit for purpose and can deliver value and customer satisfaction in a sustainable manner.

The service was created at pace in 2017 to address the challenges identified in the “Unwarranted Variations” report ([Operational productivity and performance in English NHS acute hospitals: Unwarranted variations](#)) by Lord Patrick Carter published in February 2016. In order to transform local procurement and supply chain services the three trust boards recognised the fact that no individual organisation had the scale to address the challenges in their entirety, and a new and innovative approach to procurement was required.

Sharon Robson, LPC Director of Procurement says of the plan: ***“One of the key opportunities for improvement was the control and management of stock and the development of a logistics and supply chain strategy fit for the 21<sup>st</sup> century. Investment across the NHS in professional disciplines such as logistics and stock management has generally been sub optimal. The advent of the LPC allowed for the creation of a specific logistics “tower” to create a centre of excellence with dedicated logistics professionals who knew what “excellent stock management” looked like and had the experience and skills to make it happen.”***

### Challenges

Previously, with no robust inventory management solution in place, ELHT used a simple stock re-ordering system using a mixture of NHS eDC, the inventory management system created by the NHS, and ad hoc orders via its procurement system.

This led to several challenges for the Trust. Clinicians were involved in ordering, thereby taking time away from patient care and stock wastage due to obsolete stock and overstocking, was also identified as an issue. Dave Harris, head of service for logistics and supply chain explains, **“Ordering and control of stock was not managed by procurement or logistics professionals. There was a reliance on overstocking “just in case” and in some instances stock was ordered to clinical preference rather than a standardised bill of material.**

**“This meant that stock holding was too high in some areas, too low in others, and there was poor control and visibility of stock. Ultimately this created risk in terms of quality of care, poor use of clinical time and increased the potential financial risk of greater obsolescence and higher waste.”**

ELHT required a solution to support better procurement, value and care; and accelerate the adoption of GS1 standards. The decision to implement GS1 standards stemmed from the benefits demonstrated as part of the Department of Health and Social Care’s Scan4Safety Programme which launched in 2016.

The premise of building the inventory management system on GS1 standards would enable total real-time stock visibility, precise ordering, and improved product traceability. This works by using GS1 Global Trade Item Numbers (GTINs) to uniquely identify products and allowing this data to be captured at the point of use through barcode scanning.

Simon Bennett, logistics and supply chain business improvement engineer confirms, **“The aim of the project was to become compliant in line with the Scan4Safety initiative in all theatres at the two ELHT sites. Our initial aim was to ensure the scanning of all consumables to the patient level to improve patient safety in line with the Scan4Safety objectives and generate accurate auditable data for patient level costing and product recalls.”**

With the benefit of a seasoned implementation at Lancashire Teaching Hospitals NHS Trust, the Trust was able to formulate a strategy for the deployment of the system at ELHT and take value from their learnings.

## Solution

The leadership team of the logistics and supply chain service was, like the cluster, chosen to transform supply chain services for the three trusts. David Harris, head of service logistics and supply chain and 30 years of experience managing global logistics operations, provides the vision and direction to the team. Simon Bennett, logistics and supply chain business improvement engineer, is an experienced NHS professional, bringing a wealth of internal NHS knowledge. Between them they have been able to articulate the vision, map out the transformational plan and deliver it in practice – both on budget and on time!

Meeting all ELHT system functionality requirements, and with a successful track record in implementation, proven return on investment, and a good value offer, the team selected award-winning Ingenica 360 IM solution. **“Through experience from previous installations, Ingenica Solutions stood out with their customer service and openness to functionality development,”** affirms Simon.

Designed with a full track and trace facility, Ingenica 360 IM, enables ELHT to track and trace products, people, patients, equipment and locations, for 360-degree visibility and control. Furthermore, its flexibility and scalability has provided ELHT with confidence of its adaptability for both today and in the future.

The project began in the Royal Blackburn Hospital Theatre complex serving 11 theatres. Implementation was then rolled out further to include ELHT’s other theatre site in Burnley serving a further 16 theatres; ensuring all ELHT Theatres are now live with Ingenica 360 IM.

David Harris provides an insight into the smooth process, **“Initially a steering group and smaller operational project group was created, made up of internal stakeholders from procurement, finance and clinical teams to help guide the project and aid key decision making. The project was supported by Ingenica Solutions and led by the LPC team.**

**“Following initial setup and ‘train-the-trainer’ training provided by Ingenica, the rest of the process was completed by the internal stores and implementation team with help and assistance from Ingenica’s site support wherever required. With this knowledge and experience from the first implementation, the second site was completed with minimal intervention from Ingenica in under six months.”**

## Benefits

As the first inventory management solution on the market to become GS1 UK-approved in 2020, Ingenica 360 IM, has enabled the Trust to meet GS1 standards and secure significant benefits across many areas including:

- Patient safety and outcomes
- Savings and efficiencies
- Data standardisation
- Reporting and visibility
- Management information
- Costing

Implementation of Ingenica 360 IM has provided the procurement team at ELHT with the ability to analyse and guide effective purchasing and reduce waste. While real-time access to data such as status of stock, purchase levels, supplier performance, and pricing trends has led to improved product visibility and transparency, has enabled the trust to drive operational efficiencies across the frontline and back office. This transparency and efficiency have also helped support patient safety.

## Ingenica Solutions: benefits of implementation

- Stock value on balance sheet increased by 75%
- First year's wastage reduced by 96%
- Stock value decreased by optimisation by 10.5%
- 43.12 weeks of clinical time saved
- Approx. 11,000 items catalogued
- Approx. 400 Surgical Preference Cards to be used for Pick to Procedure

Knowledge sharing between departments has created a powerful enabler for change, as Dave Harris points out, ***"It has certainly brought the supply chain and logistics team a lot closer to the clinical team. They both understand the Ingenica 360 IM system and the need for such a close relationship to ensure a smooth-running theatre function. The clinical team clearly see the value of working with logistics closely and using the solution. Clinical time has been released for patient care rather than stock control and an electronic implant register for the Trust provides a significant shift to electronic record keeping."***

Dave continues, ***"Through the implementation of Ingenica 360 IM, ELHT and the LPC is now sharing best practice and learning, championing GS1 standards, and meeting Scan4Safety efficiency targets. "We have shared best practice by both hosting visits from other trusts, and visiting other trusts, prior to COVID-19. As members of the Northern Scan4Safety group, we have also attended and presented at GS1 conferences. Additionally, we are part of the North West Skills Development Network, presenting to the region's Heads of Procurement, as well as chair of the Lancashire and North Cumbria GS1 UK group."***

## The Way Forward

ELHT's and LPC's next steps are to look at other specialist areas outside of the theatre, focusing on areas with high-value products or perceived higher safety benefits. To leverage the initial investment in Ingenica Solutions, it is also exploring numerous other uses of the solution such as loan kits, community care, bed and mattress tracking, and patient flow monitoring. The Trust's ultimate objective is to eventually be able to get a full picture of the end-to-end patient pathway throughout the Trust.

ELHT is investing in frontline and back-office efficiencies for today and the future as Simon Bennett concludes, ***"With the initial inventory findings and reductions, Ingenica 360 IM has paid for itself three-fold in the first 12 months alone. We hope in time with usage data, we will be able to provide further stock optimisation, and begin to standardise both products and procedures to identify further clinical benefits and savings. While this initiative started by focusing on stock, our vision is to see further clinical, operational and efficiency benefits."***

Investing in the future, ELHT, driven by the LPC, continually improves productivity and efficiency of services. It is the second trust within the LPC that has moved forward with inventory management, and with the LPC's highly experienced team, in collaboration with Ingenica Solutions, has successfully reshaped its inventory management processes using GS1 standards.

## About East Lancashire Hospitals NHS Trust

Established in 2003, East Lancashire Hospitals NHS Trust is a large integrated health care organisation providing high quality acute secondary healthcare for the people of East Lancashire, and Blackburn and Darwen.

The Trust employs more than 8,000 staff, some of whom are award winning and internationally renowned for their work and achievements. It treats more than 700,000 patients every year across Royal Blackburn Teaching Hospital, Burnley General Teaching Hospital, Clitheroe Community Hospital, and Pendle Community Hospital.

## Contact GS1 UK

To find out more about GS1 standards in healthcare visit [www.gs1.uk.org/healthcare](http://www.gs1.uk.org/healthcare) or <https://healthcare.gs1uk.org/scan4safety/> to explore the Scan4Safety evidence report.

For enquiries email the GS1 UK healthcare team at [healthcare@gs1uk.org](mailto:healthcare@gs1uk.org) or call a member of the team on freephone 0808 178 8799 or alternatively call 020 7092 3501.

## Contact Lancashire Procurement Cluster (LPC)

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## Contact Ingenica Solutions

For more information about Ingenica Solutions contact [info@ingenicasolutions.com](mailto:info@ingenicasolutions.com), visit the website at [www.ingenicasolutions.co.uk](http://www.ingenicasolutions.co.uk), or call 08450 660 100 to contact a member of the team. Twitter [@IngenicaS](https://twitter.com/IngenicaS)



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