



Lancashire Teaching Hospitals NHS Foundation Trust – Inventory Management Solution leads to **£3 MILLION** cost savings

The ability to foster new solutions to realise cost savings and improve efficiencies is key to the success of all trusts, and ultimately the NHS.

Through the implementation of best practice solution, Ingenuca 360, Lancashire Teaching Hospitals NHS Foundation Trust is at the forefront of successful inventory management, securing unprecedented cost-savings as a result of improved supply chain control and visibility.

Background

Lancashire Teaching Hospitals NHS Foundation Trust (LTH) provides health and wellbeing services for a population of more than 1.5 million, and employs approximately 6,500 members of staff. The Trust balances the provision of highly rated specialist services with providing acute services in Lancashire and South Cumbria.

With the vision to provide 21st century health care, the Trust continues to improve the lives of the people it serves. Service transformation is pivotal for future success, and year on year the Trust continues to deliver quality improvement, and efficiency savings; averaging 4% per annum recently.

As part of this focus, one of the Trust's key aims is to make the best use of all resources; where its focus on inventory management and supply chain management begins.

Lancashire Teaching Hospitals 
NHS Foundation Trust

The Challenge

Under mounting pressure to cut costs and discover new, better, and more efficient ways of working, trusts today face unprecedented financial challenges. Supply chains often lack maturity, and an assessment of supply chain management at LTH established that a move was necessary in order to progress the hospital from a very basic supply chain model to a much more mature position. Best practice inventory management is key to supply chain improvement, and the initial focus was to introduce new processes for the highest spend area; the operating theatres, with an aim to provide an organisation-wide view of inventory levels, and assigning costs to both the patient line and service line.

One of the main drivers of change, which had the greatest impact on LTH's desire to transform its inventory management, was its obligation to make quantifiable savings.

Also, significant issues existed with stock management in the theatres department. Stock was poorly controlled, and regular 'stock outs' were experienced. The supply chain was primarily managed by clinical staff, with the support of limited stores staff, which was both ineffective and inefficient.

To effect real change, LTH needed more than just a "top up" process; a best practice inventory management solution with the ability to adapt to the Trust's requirements would provide greater advantages.



Ian Britcliffe, inventory management project manager at LTH explained, *"The Trust responds well to clinical and workforce challenges, and we fully understood that to transform this situation, we needed to take control of our supply chain to drive much-needed savings and efficiencies. Some providers were keen for our trust to adopt a "top up" process, which was simply not the right solution for our trust. The lack of an appropriate system to manage these activities at the time was certainly holding us back, and presented challenges."*

The absence of inventory control and visibility meant a shortage of management information, which subsequently created issues including product wastage, the need for more storage space due to excess stock levels, and the inability to trace products. The Trust undertook a search for an advanced real-time solution from a specialist team that had demonstrated real results and understanding of healthcare supply chain operations.



Key challenges:

- Lack of stock control and visibility
- Wastage of consumables, and costs associated to disposal and reordering
- Shortage of management information
- Time spent by clinical staff ordering stock and duplicating systems
- Absence of product traceability
- High volume of storage space
- Inadequate control of consignment stocks

The solution

The Trust appointed Ingenica Solutions to implement its proven, best practice system, Ingenica 360, in one of its busiest and most challenging departments; theatres.

The functionality-rich inventory management solution, Ingenica 360, developed specifically for a clinical environment offers Lancashire Teaching Hospital the ability to gain significant returns; which in today's challenging healthcare environment is of overriding importance.

Furthermore, as the first GS1 compliant inventory management solution in the healthcare market, Ingenica 360 provided the Trust with the golden opportunity to transform its supply chain operations and achieve sustainable long-term savings with the assurance of an accredited solution; something that other providers are not able to match.

Ian Britcliffe explains, *"It is encouraging to reach a stage where Ingenica has helped us transform procurement. Through implementing best practice inventory management in our theatres department it has enabled our trust to take control of the processes, secure efficiency savings, and release valuable clinical time back to the patient."*

Designed for rapid deployment, implementation was effective and successful, which has helped modernise processes and create more efficient working practices at LTH.

The benefits



Ingenica 360 has helped reduce wastage and historical inefficiencies by facilitating greater transparency, and better stock and data management. The Trust has also reported £3 million of balance sheet adjustments recovered through stock visibility. Peter Beconsall, Head of Commercial and Strategic Procurement said, *“The Ingenica 360 system has enabled LTH to significantly improve the control functions of our corporate stores service and has achieved significant savings.”*

The data generated by the solution has empowered the Trust in many ways. Today consumption of stock is recorded at point of use, and ordering is based on ‘actual’ consumption, enabling a reduction in stock holdings. In turn this has allowed several rooms to be cleared of stock, and reassigned for clinical usage. There is also better control and visibility over consignment implants, which as one of the most expensive items in a trust means costs have been cut in this area, and the likelihood of items becoming obsolete has diminished. Additionally, the establishment of a new centralised theatres stores automatically has facilitated an efficient replenishment process as it automatically feeds the Trust’s stock requirements.

Ian Britcliffe continues, *“With greater than anticipated benefits, our theatres department is at the forefront of effective and efficient supply chain management. One notable example is the transformation of stock control functions, which we moved away from clinical staff to supporting materials management staff. This has saved 7,104 clinical hours; time which has been relocated to frontline care. Something we simply could not have achieved without the skills and expertise of Ingenica.”*

Key benefits declared to date:

- **£3 million of balance sheet adjustments recovered through stock visibility**
- **Saved 7,104 clinical hours; the equivalent of four FTE**
- **Several rooms cleared of stock; now available for clinical use**
- **Improved reliability and increases visibility in the Trust’s supply chain**
- **Reduced stock holdings**
- **Minimised wastage**
- **Enables greater transparency**
- **Improves stock and data management**


The way forward



Lancashire Teaching Hospitals NHS Foundation Trust is a vibrant organisation with strength in many areas. It has set itself stretching targets in relation to clinical quality, operational developments and operational effectiveness, and this latest project has been subject to equally high expectations.

Ingenica 360 is configurable across multiple areas with different processes which allows LTH to use just this one solution to achieve supply chain excellence across the whole Trust.

Following successful implementation of Ingenica 360 in the theatres department, the Trust has already commenced a programme to deploy the solution across its main site at the Royal Preston Hospital.



“We continue to aspire to be amongst the best trusts in the country. We have a clear vision for the way our hospital services and buildings need to operate. The financial challenge remains, and as such we work with partners, such as Ingenica Solutions to see solutions to minimise such issues. Ingenica Solutions has certainly helped shape the future of our supply chain management,” concludes Ian Britcliffe, Lancashire Teaching Hospitals NHS Foundation Trust.



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