

Demonstrating success in healthcare

The integrated supply chain

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Guy's & St Thomas' NHS Foundation Trust (GSTT) is one of the UK's busiest and most successful foundation trusts, with a long history of clinical excellence and high quality care. The Trust comprises two of London's best known teaching hospitals - St Thomas' Hospital and Guy's Hospital - and also Evelina London Children's Hospital.

What was the problem?

GSTT had two key challenges from a hospital procurement perspective:

- They were over-ordering - what they were buying was less than they used
- They had an inefficient final mile in terms of their supply chain. It was efficient up to the point of the loading bay, but after that it stalled because of dysfunctional processes

Lord Carter's report talks about the £8bn that's spent in and around procurement in the NHS - and the wastage that impacts all Trusts. At GSTT they estimated they had about 10% waste, costing them around £8m a year, which they knew was mainly caused by over-ordering. But the reasons behind the over-ordering were many:

- They didn't know what they had in stock
- There were over 1,600 people who were able to order new stock
- They didn't know when new stock would arrive
- Orders frequently had errors, such as the wrong product, quantity or price
- Wastage wasn't measured

In short, there was no visibility of the problems - because stock wasn't being correctly identified, tracked and traced.



How was the problem solved?

For the last five years GSTT has focused on improving their inventory management system, using GS1 standards to identify all products. An automated inventory system has been put in place in all main theatres and wards throughout the hospital, enabling a far higher level of control and visibility.

GSTT also recognised that inventory management isn't the total solution, there's always going to be other spend from outside that system. Going forward, they're using an integrated 'Amazon-style' purchase to pay solution which gives them more information and is able to speak to their inventory system. This integration prevents the opportunities for over-ordering because the two systems work together.

How were GS1 standards used to help deliver the solution?

The Trust now uses GS1 barcodes and GTINs (Global Trade Item Numbers) to uniquely identify products. This gives them the ability to stop duplicate ordering between systems, to track and trace products and, most importantly, to measure the performance of their inventory management system.

What are the benefits?

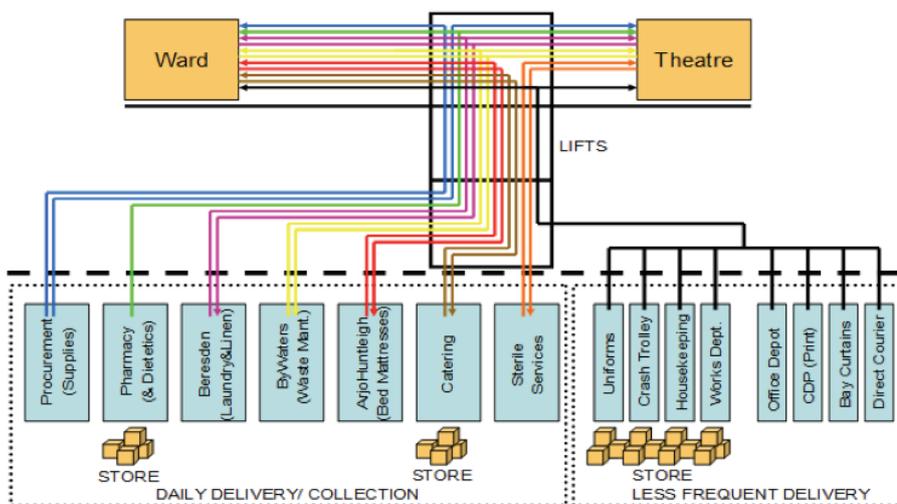
As products are identified with GTINs, the Trust was able to streamline its ordering and inventory processes. Knowing that the GS1

barcode contains the GTIN, the batch, lot or serial number and the expiry date meant that the required information could be scanned and captured at the point of use – quickly and easily. This has saved the hospital £4 million so far, just from reducing the waste caused by over-ordering.

What's next?

GSTT recognise that they have issues with their "final mile" – the route an item travels from the loading bay to clinical areas. At the moment, it's difficult to take an elevator at GSTT during the day, because of the amount of different material flows coming in and items being stored temporarily in passageways. The lack of visibility and consistency results in huge amounts of space taken up in the basement. Also, staff need to transport items back and forth between the loading bay, the storage rooms and the wards and theatres, which is a waste of resource.

To tackle this inefficient final mile, GSTT are going to implement an integrated supply chain model using GS1 standards to identify all products, pallets and locations. The real-time visibility that this will provide will allow them to measure performance and drive improvement. It's estimated that this project will allow GSTT to save 2,700 m² of space, while at the same time freeing up much needed clinical staff time – ultimately improving patient care.



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