



Ingenica 360 - Trial at the Royal Berkshire NHS Foundation Trust

A STEP TOWARDS SUPPLY CHAIN EXCELLENCE

To overcome the challenges and issues with historical replenishment and materials management practices and procedures, the Royal Berkshire NHS Foundation Trust engaged in a trial of Ingenica 360.

The trial generated exceptional results, and has proved the key starting point to help transform supply chain and procurement across the entire Trust. It has also positioned the Royal Berkshire NHS Foundation Trust as one of the sector's early adopters of a best practice inventory management solution.

Background

With more than 4,800 staff, and an annual budget of £290 million, the Royal Berkshire NHS Foundation Trust (RBFT) is one of the largest general hospital foundation trusts in the country. It provides acute medical, surgical and specialist services across Berkshire.

Supply chains must be adaptable to the changing needs of the NHS, and yet the Trust was experiencing the same issues as many other NHS trusts; investment in supply chain efficiency, including procurement as a function was either minimal or non-existent.

Peter Mills, interim director of facilities and estates at the Trust explains, *“Similar to most trusts, RBFT has a good idea of what it spends; however we recognised that improvements were necessary in terms of understanding what is in stock, consumed or wasted due to obsolescence, expiry or other means.”*

The Urgent Care division supported a trial, and Patricia Pease Director of Nursing headed up the project for the Trust.

An on-site initial review followed in Cardiology, Radiology and Intensive Care. Ultimately we only progressed forward with two departments (Cardiology and Intensive Care) due to time restraints.

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The two departments operated different methods for managing their respective supply chain activities and inventories. Most of the processes required primarily manual interventions from departmental staff. Therefore, all departments were reliant on their current clinical workforce in terms of manpower and incumbent knowledge.

Patricia Pease commented *“Whilst these individually designed systems all appeared to work well in practice, there were inefficiencies in terms of standardisation and automation. None provided the visibility of data or information to enable staff, and the Trust, to manage, plan and improve procurement and supply chain activities necessary to generate savings or other benefits. More importantly they were specific personnel reliant, which meant there was an identifiable risk if these staff left. This accentuated the importance to embed supply chain knowledge into processes rather than individuals.”*

Key challenges:

- Lack of visibility of inventory, leading to many inefficient cost processes
- Wastage of consumables, and costs associated to disposal and reordering
- Lack of management information
- Systems dependent on individual’s processes and knowledge
- Lack of product traceability
- Storage space and layout limitations
- Bypassing of processes by staff
- Control of consignment stocks



The Challenge

The review, completed by Ingenica Solutions, acknowledged that the Urgent Care Group’s materials management was well run.

However, to ensure that the internal supply chain operated in a timely manner, there was a heavy dependence on key clinical individuals’ knowledge and time.

Peter explains, *“A lack of standardised processes across the three areas meant that processes varied significantly. As a number of the individuals were due to retire or move to new roles, the supply chain process review was timely.”*

A lack of visibility of inventory had led to inefficient processes. For instance, without having a ‘baseline’ set of data from which to start to standardise, improve and automate supply chain processes, individual initiatives in single areas would have failed.

The Trust only knew what it spent and not what it held, consumed and wasted.

Furthermore, a lack of rationalisation and standardisation of products was a challenge as suppliers that are not performance managed in any way, may have continued to use this to their advantage. The only way to turn this situation around was to reach a position where the data and information that could be available supports the Trust’s position in supplier negotiations.

Repetitive re-ordering and product management wasted valuable clinical and procurement staff time; an issue that RBFT was eager to address in order for it to reallocate time-savings to crucial frontline duties. For instance, in the first four months of operations, the solution saved the manhandling of more than 1,800 requisitions. With such large quantities of stock, storage space was also an issue, as it is for many hospitals. A lack of storage resulted in other issues too such as stock held in various locations across the hospital, rather than in one centralised store unit.

The Solution

Following a high-level review across the departments, a three month trial was initialised within the Urgent Care Group, led by Patricia Peace, director of nursing, and supported by Julie Turner, sister in Cardiology, and the Intensive Care Unit.

Using IT as an enabler to initiate a change in the materials management and replenishment process for non-drug consumables, the trial implementation of Ingenica 360 and Microsoft Dynamics NAV met inventory management requirements.

Fully cloud enabled and designed for rapid deployment, Ingenica 360 is an effective end-to-end inventory management solution for the NHS and was implemented to help RBFT improve efficiency and reduce costs throughout the 'procure to pay' cycle. Using Ingenica 360, RBFT was able to transform process, improve its data and secure much greater control over its purchasing and inventory. *"At a time when the NHS is being challenged to deliver significant reductions in spend, Ingenica 360 was implemented to help us secure a return on investment in months, not years,"* explains Mills.

The departments' inventory details were loaded into the Ingenica 360 system and subsequently controlled by it. Mills continues,

"Fixed reorder points and fixed reorder quantities are now agreed by the clinical and procurement staff and loaded into the Ingenica 360 system. As items are consumed the inventory figures are reduced, and once the figure is below the re order point the system generates requisitions that can be released to suppliers automatically. It is very straightforward."

The Benefits

The Royal Berkshire NHS Foundation Trust is confident that many benefits and savings have been achieved as a result of the Ingenica 360 trial.

At any point in time a valuation of 'working capital,' consumable or other products held on-site to facilitate patient treatment, is now readily available. Staff in sub sections of the same department are aware that the same products may be in multiple locations in that one department. Even when staff working at the end point of use know that they keep a product as stock, the level of that stockholding is determined objectively, based upon consumption data rather than subjectively by an individual, which occurred prior to the trial.

The trial has improved processes by using IT as an enabler to improve and automate repetitive re-ordering and product management, thereby releasing clinical and procurement time spent doing so. Before the Ingenica 360 implementation, clinical staff would often be involved in supply chain activities which would detract from them delivering patient care. This is no longer the case, as clinical staff time has been freed up to focus on frontline services rather than back office responsibilities.

Benefits:

- Correct statement of stock levels and value
- Reduction of clinical & procurement staff time in replenishment & order process
- Reduction of inventory on the shelf
- Reduction in wastage
- Reduction in delivery charges
- Elimination/reduction of annual/quarterly stock takes and valuation exercises, in favour of controlled cycle counting
- Finance access to real time inventory valuation & trends
- Purchasing, standardization and rationalization efficiencies
- Procurement access to real usage information and supply performance data
- Improved data & management information, including pricing
- Standardised process and knowledge across departments
- Reduced order/requisitioning and invoice processing cost
- Better planning & real time control of inventory levels based on consumption data
- 'One-off' stock holding reduction in some areas

The way forward

The Ingenica 360 trial has proved a great success, and revealed an attractive insight into what is possible trust-wide; it has provided the starting point in RBFT's effort to improve supply chain and procurement efficiency.

Through the implementation of Ingenica's inventory management solution, it has been possible to get the data to a level of accuracy so that it becomes useful information that influences procurement and other businesses activities in the Trust moving forward. Subsequently this facilitates opportunities to deliver further benefits from more advanced inventory management techniques, which will eventually be advantageous in moving the Trust towards a stated aim to be able to support patient level costing and service line reporting.

Benefits of the trial exceeded forecasts and formed the basis of the agreement to roll the solution out across the Trust in two planned major phases which is currently underway.

The Royal Berkshire NHS Foundation Trust is a forward-thinking organisation, and it continues to adopt new ways of working to help reduce costs, and improve productivity and performance. Ultimately it is these factors that help improve patient outcomes; top of the organisation's agenda.

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Before the individual departments were a 'silo' as far as supply chain management practice was concerned, and yet there is now useful data and information being shared across the organisation to enable better management decision making. This has also enabled the track and trace of items, which is advantageous in the event of a product recall for instance.

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