From Siloed to Standardized:
How a Regional Health System Leveraged ERP to Address Supply Chain Inefficiencies

The Client Challenge

A 1700-bed regional health system began a back-office enterprise resource planning (ERP) replacement project to modernize its 20-year-old systems and leverage new cloud ERP technology to standardize processes, gain efficiencies, and enable growth.

Having grown through acquisition, the health system operated its facilities independently, with inconsistent supply chain processes across hospitals, clinics, and research facilities—creating redundancies, duplicative master data, and complex system design.

Navigating to Next: The Solution

The health system turned to Chartis as a guide to partner with internal teams and Workday to lead the program office, change management, and human capital, finance, and supply chain workstreams. A first step was engaging the Operations team to define the desired level of transformation. The result: deeply involved leaders—focused on the priorities and accountable for realizing benefits like improved inventory management, reduced waste, and lower off-contract spending.

End users were involved in process redesign— focused on the most challenging workflows and consensus across facilities. Process standardization centered on improving productivity levels for supply chain planning, supplier invoices, payment processing, and the warehouse team. Design decisions were made to automate procurement decisions to enforce cost controls. Teams were aligned on remote inventory management and simplified nonclinical procurement, enhanced reporting, and normalized item master and supplier data. Enterprise item categorization set a foundation for robust strategic sourcing and value analysis.

STANDARDIZING SUPPLY CHAIN PROCESSES AND MASTER DATA CAN:

- Improve inventory management and reduce inventory holding costs and waste.
- Eliminate redundancies and streamline business processes across the enterprise.
- Generate savings through strategic sourcing and tier improvements for group purchasing organizations.
- Reduce labor-intensive, nonclinical procurement workflow and improve productivity levels.
- Reduce "maverick" spending by managing off-contract spending and hard-wiring procurement decisions.

NAVIGATING TO NEXT: KEY COMPONENTS

ORGANIZATIONAL ALIGNMENT
Focus on the greater good as an enterprise—not a single stakeholder group or function. Design for the rule, not the exception.

KNOWLEDGE DISCOVERY
Utilize the power of data that exists both internally and externally to enable decision-making frameworks.

VALUE MANAGEMENT
Align both high- and low-impact business processes to maximize the enterprise's return on investment.

TECHNOLOGY
Leverage available and emerging toolsets to liberate resources from repetitive and costly maintenance.

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Client Impact

The now unified supply chain provides consistent processes across all entities, leveraging tools and technology where appropriate to increase productivity. Among these technologies is "punch out" to supplier websites and updated mobile technology allowing delivery tracking, physical inventory, par counting, label printing, and additional EDI transactions. This provides visibility and streamlined processes for previously labor-intensive and error-prone tasks for medical clinics and delivery locations throughout the health system.

Establishing a unified item master with an extensive increase in data elements enables increased reporting and search capabilities. This is the backbone for contract and value analysis to identify savings opportunities. It also enables more accurate budgeting and planning efforts to minimize disruptions to the health system's supply chain operations.

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How We Are Making Healthcare Better

When implementing cloud-based ERP, a tight partnership between Operations and IT is essential to create a dynamic, clinically integrated supply chain and realize direct materials and services savings, cost-of-care reductions, and productivity. It also enables health systems to take advantage of new automation and AI."

—Steve Glawe, Principal, Chartis

A unified supply chain provides measurable results across the enterprise.

67%
Reduction in stale or duplicate item master data

110
Clinics have access to an unlimited item catalog via integration

12,000+
Average purchase order acknowledgements processed per month within the ERP system

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NEXT INTELLIGENCE:

Design for the long-term goals of the organization by:

Incorporating new data elements to identify continuous savings opportunities upon system stabilization.

Establishing relevant data governance to create a common vernacular that is transferable across the regional boundaries.

Simplifying nonclinical processes and procedures to focus on patient-relevant supply operations.

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