

Increasing operational efficiency: the Process Improvement Olympics

Ambitious initiative achieves sustainable savings

When ProMedica, a large Ohio/Michigan IDN, and its distribution partner, Seneca Medical, analyzed supply chain inefficiencies within both organizations, they identified six areas of opportunity to increase savings and productivity.

Together they created the “Process Improvement Olympics,” a unique initiative that seized these opportunities while promoting new methods for better communication and learning.

ProMedica at a glance:

- Headquartered in Toledo, OH
- 11 member- and affiliate-hospitals in Ohio and Michigan
- 3.3 million patient annual patient encounters
- More than 14,000 employees
- Over 1,600 physicians with privileges and 400 ProMedica Physician providers
- More than 47,700 surgeries performed each year

6 Process Improvement Olympic events and objectives

- **Manufacturer weight lifting:** Improve contract language, drive manufacturer standardization, optimize ECRI analysis, and right-size unique item consumption
- **Physician team relays:** Create supply chain tool kit to improve integration of non-hospital entities (ProMedica Physician Groups), optimize ordering/delivery process, measure service satisfaction, and standardize products
- **Pricing pentathlon:** Improve pricing efficiency and effectiveness in five focus areas:
 - Contract optimization
 - System price parity
 - Price change notification
 - Non-contract spend benchmarking
 - Non-contract spend reduction
- **Standardization gymnastics:** Drive product standardization during low-unit-of-measure (LUM) migration and create new overstock rebalancing process
- **Substitution medley:** Improve the medical product substitution process (for back-order items) and optimize the product conversion process (changes from one product to another)
- **LUM innovation cycling:** Optimize LUM inbound logistics processes from distributor and internal hospital materials movement

Cross-functional teams made up of more than 40 individuals from both organizations competed in the Olympics working individually and in collaboration on projects modeled after popular sporting events.

Functional leaders, account managers, operations staff, customer service, and other departmental employees from Seneca worked alongside materials, purchasing, contracting, IT, and supply chain leaders from ProMedica, which gave both organizations more advanced business-to-business integration and a 360-degree perspective on the partnership. “Our participating staff members had the opportunity to learn more about their distribution counterparts, improve communication with teammates, and learn new skills,” said Kathleen Krueger, president, ProMedica Supply Chain.

The Process Improvement Olympics was not only a platform for new ideas, but it also helped both organizations reach their efficiency and cost-saving goals, achieving six-figure savings in the process. Each team was evaluated on teamwork and dynamics, metrics and outcomes, sustainability, and overall effectiveness. It was a gold medal performance all around.



“Our primary objective was to achieve real, sustainable results while having fun in a playfully competitive atmosphere.”

—Dave Myers, Executive Vice President, Seneca Medical