



HEALTHSPACE

Optimising Working Capital

Better Service @ Less Cost = Step Three

Organisations using SMS storage and the SMDS “No Count” system—but who have not yet addressed the level of working capital waste being generated in their business—can now take the third step, optimising their working capital holding and expenditure.

Studies in public and private, profit and not-for-profit health service providers in every first world country consistently show the following levels of working capital waste as relatively typical:

- Excess Stock (over lead-time & usage req) - 25% of on-hand
- Obsolete Stock (superseded) - 18% of on-hand;
- Dead Stock (not been used for 6-months+, not superseded) - 3% of on-hand;
- Expired Stock (use-by-date has passed) - <1% of on-hand;
- Damaged Stock (broken, crushed, no longer sterile etc.)- <1% of on-hand;
- Pilfered Stock (taken by staff/ patients for home or other use) - 3/5% of on-hand;
- Borrowed Stock (taken by other wards but never replaced) - 2% of on-hand;
- Stock Thrown Away (stock thrown away for IC or other purposes – although it is not deficient in any other way) - 1% of on-hand.

Accepting that there will

always be a level of waste, this typical situation can be dramatically changed—particularly in relation to eliminating Excess, Obsolete, Expired and Pilfered stock—by understanding, through the use of the “No Count” system, what is actually being used on a day-to-day basis.

This practical analysis work can be undertaken by Healthspace—in consultation with you. We then follow up to implement changes to your stock profile and implementing business-wide processes to sustain the improvement.

We expect a one-off initial saving of up to 50% of stock-on-hand value, plus a 5-10% reduction in recurrent working capital expenditure.

Free Assessment of Your Supply Chain

H-SCRAM (Health Supply Chain Reform Analysis Model) provides a free online analysis model enabling health service providers to take their initial steps toward establishing a business cases for supply chain reform

Through entering data variables pertaining to organisational capabilities, performance, outcomes and idiosyncrasies into a secure online tool, organisations

receive structured feedback on their supply chain status, areas that can be targeted for improvement and likely costs/benefits of change.

The tool is modular, enabling respondents to complete as few or as many modules as they like. Modules include

- ☞ Strategic;
- ☞ Demand Management;
- ☞ Supplier Management;

- ☞ Inventory Management;
- ☞ Replenishment, Order & Payment Management;
- ☞ Information Systems;
- ☞ Leadership.

Go to the healthspace website for access to the model, under the “Project Management” section.

Please send your feedback on the model through to us.



Visit our website:
www.healthspace.com.au

PO Box 2160
Prahran VIC 3181
AUSTRALIA

National: 1300 654 327

International: +61 3 62291439

VIC, TAS, SA & WA - Kevin Page 0418 123244

NSW, QLD, NT - Kirk Kikirekov 0417 238430

e: sales@healthspace.com.au

**Space Saving Storage
Cost Saving Solutions**

Healthspace Pty Ltd are specialists in configuring space saving storage solutions for all manner of health service provider environments. We are the only such specialists working in Australasia.

Our modular storage system is sourced from Scan Modul in Denmark, the home of brilliant space-saving and modular design.

Our SMDS “No-Count” material management software provides the most cost-effective and simple solution to replenishing all point-of-use locations in your facility with ease and a minimum of work.

hTrak compliments the general data collection capability by enabling traceability of items to patient for safety and/or billing purposes as well as facilitating immediate replenishment by your suppliers.

We have the capability of providing every part of your solution—from a single trolley to project managing full storage solution implementations

Solution Outcomes @ Goulburn Valley Health, The Alfred

Healthspace, along with Scan Modul, Ithaca SCM and Pacific Commerce, recently completed a major solution implementation at Goulburn Valley Health.

Storage—including Scanmo racking and Scancell trolleys—was installed, along with the SMDS modules Supply, Inventory and Purchasing—including the “No-Count” replenishment system.

Consulting work was undertaken to optimise working capital as well as business process.

Finally—once stock profiling had been completed in full consultation with clinical staff—the order management process was fully automated. Information gathered using the “No-Count” system at point-of-use was translated into orders, aggregated and placed directly with suppliers.

Results from the implementation were as follows:

- Initial one-off savings of 35% in

stock-on-hand requirements at the bedside / in procedure;

- Year-on-year cost savings of 7-10% on all medical consumable & device expenditure;
- 50%+ reduction in storage floor space requirements;
- 90% reduction in the time clinical and medical staff devote to supply tasks – and automation of the entire re-order process from bedside to the supplier and back.

All this—from implementing just over half of the available Healthspace modules.

At The Alfred Hospital’s Radiology Department an hTrak implementation showed even more dramatic results—especially for patient safety.

hTrak provides for automated tracking of implants, expiry dates, batch & lot numbers for enhanced, simplified patient safety outcomes – together with real-time, accurate patient or procedure

costing. Results at The Alfred were:

- Recurrent 100% Return on Investment achieved consisting
 - process improvement;
 - working capital reduction;
 - Schedule Five rebate claims improved by over 40%.
- Dramatic enhancement to patient safety;
- Actual procedure costing data being used in CaseMix/DRG compilations.