Case Study
A collaborative clinical-supply chain-vendor partnership drives critical trust for supply chain optimization

Value Delivered
Comprehensive supplier data and a collaborative process for suture consolidation that engaged Operating Room staff, Supply Chain and Ethicon enabled this three-hospital New England health system to create a framework for optimizing supply chain efficiency.

The Challenge
In many health systems, Supply Chain and Operating Room teams often find themselves at odds over spending issues. Without a shared vision of success, supply chain efficiency efforts could fail to achieve optimal results. That was the case in 2013 when a New England health system looked to optimize its suture use to preserve clinical results at a lower cost with a more efficient product mix in its 33 operating rooms. The health system had another equally critical goal: build clinicians’ trust in the process so it could be used to optimize other products in the clinical space.

For its ambulatory surgery center (ASC) and main OR facility, this system annually purchased more than $874,000 in Ethicon sutures, and inventory was growing in complexity and volume. With 574 SKUs in stock, suture inventory totaled over $510,000, working capital that could be used for other purposes or investments. The inventory claimed valuable shelf space and complicated staff’s ability to locate needed supplies while slow-moving product risked expiration and waste.

Benchmark Comparison

The Ethicon Suture Efficiency program helped define an opportunity for improvement, starting with a detailed analysis of its suture usage.

*Based on internal Ethicon data
Bridging the Gap

The PeriOperative Services Administrative Director that joined this health system in 2013 actively championed bridge-building by inviting Supply Chain staff to his weekly huddles with OR managers. Joint decisions emerged from the clinical judgment of the OR team and the financial expertise of Supply Chain. The success of this internal collaboration was the catalyst for the health system to ensure that ongoing interaction and communication among cross-functional partners continue.

Data, Process and Supplier Support

As the first step in the Ethicon EFFICIENCY Solution, Ethicon account professionals conducted a thorough physical inventory of the thousands of boxes of Ethicon sutures in the 33 ORs found within the account. The Ethicon team delivered a comprehensive report of the system’s suture ordering history, usage, inventory and location, and potential opportunities for code consolidation and savings.

The Ethicon team continued to partner with the Supply Chain and OR teams through a phased implementation that engaged surgeons and their clinical staff in determining which sutures would stay or go. Involving end users in these decisions was essential for clinicians to trust that they would have what they needed when the consolidation was done.

Every evaluation step balanced efficiency with maintaining the desired clinical outcomes and patient experience. Ethicon worked to ensure the customers’ full understanding of the differences in the product attributes of all sutures proposed for consolidation.

A Phased Approach to Build Success

The New England health system launched suture optimization first in the system’s ASC where a planned renovation was underway to increase capacity.

Leveraging Ethicon’s data and process, the ASC teams implemented Phase I: removing unused and low-volume suture codes. Staff took part by reviewing displays of targeted sutures and voting for those they wanted to keep. Armed with success in the ASC, they then launched Phase I in the main OR facility.

The teams followed that same procedure in turn through each step of the Ethicon EFFICIENCY Solution. After completing Phase II in the ASC, consolidating sutures with similar attributes and features, they again took Phase II to the main ORs.

By proceeding deliberately from the easier standardization phase through more time-intensive clinical stakeholder review and endorsement of consolidation recommendations, this health system was able to document successes along the way, building engagement, credibility and trust.
Over the eight-month process, the hospitals realized savings that exceeded $81,000 from reduced inventory and minimized potential for expired and wasted product. The system also gained physical shelf space and a more coherent inventory for sutures.

By leveraging this process to build a lasting partnership between Supply Chain, OR, and supplier, a concerted effort produced long-term value beyond savings.

The New England health system now has a trusted team that can take Supply Chain optimization across the system and far beyond sutures.

When you have trust and collaboration, functions that are historically at odds can really work together. And by having the supplier involved so closely, it’s amazing what you can achieve, even in the complexity of the OR.

- Director of Supply Chain Operations

### Key Success Factors

1. Have an aligned vision for the future state
2. Quantify the benefit of change
3. Engage leaders’ support
4. Set expectations
5. Communicate continuously
6. Involve every person who touches the product
7. Start small
8. Make changes slowly
9. Ensure clinical teams have what they need, when they need it
10. Be patient and persistent

### Ethicon EFFICIENCY Solution Results in this Case Study

<table>
<thead>
<tr>
<th></th>
<th>Before</th>
<th>After</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory SKUs</td>
<td>574</td>
<td>316</td>
<td>44.9%</td>
</tr>
<tr>
<td>Weeks of Inventory</td>
<td>33</td>
<td>27</td>
<td>15.2%</td>
</tr>
<tr>
<td>Stocking Locations</td>
<td>63</td>
<td>48</td>
<td>23.8%</td>
</tr>
<tr>
<td>Stocked SKUs representing bottom 15% of annual volume</td>
<td>435</td>
<td>233</td>
<td>46.4%</td>
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