

Inventory Management & Cost Reduction

Case Study



Novation
A VHA and UHC Company
AWARDED SUPPLIER



Novia Solutions placed an Interim Director of Perioperative Services at a 120-bed acute care hospital which is ranked as a U.S. News and World Report Best Hospital for 2014-2015 as well as being named as a 2014 Leapfrog Top Hospital.

The Challenge

The physical space allocated to holding supplies for the operating room area was so small that supplies were unorganized and strewn about wherever a place could be found to store them. The lack of organization created the potential for staff to inadvertently pull outdated supplies whose sterility could be compromised, thus posing a risk for negatively affecting a patient's outcome.

The Approach

Novia's Interim Director of Perioperative Services launched an intensive, focused two-day project which involved a collaborative, cross-functional team comprised of nursing leadership, physicians, materials management and quality.

The objectives were to pare down the amount of inventory, improve the organization of the materials and reduce the potential for an outdated item to be used in a procedure, improving regulatory compliance.

The Solution

The team scoured through the inventory to pare down the quantity, checked for outdates and removed items accordingly, adjusted par levels for accuracy, and standardized the products being used. Materials management changed how they ordered supplies and who pulled items for cases. The result was a highly organized supply stocking system which streamlined the supply ordering process, reduced the space needed for storing supplies from three shelves down to one, and ensured every supply item was routinely checked for outdate status.

During her tenure Novia's Interim Leader accomplished several significant outcomes including operating room inventory optimization and cost reduction.

Bottom Line Results

- Saved \$300,000 in supply costs
- Optimized par levels
- Standardized products
- Zero outdated inventory
- Reduced storage space
- Hard-wired changes for future sustainability

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Changes were hard-wired to ensure sustainability through a systematic process of routine reporting, random auditing, and consistently engaging in pre-procedure review of outdates. Materials management conducted random audits to identify and remove any outdated supplies on the shelf, circulator and scrub nurses checked all outdates before any product was put on the table prior to a procedure, and variance reports kept leadership informed. In addition, this optimization process resulted in a cost savings of \$300,000 in operating room supplies.

About Novia Solutions, Inc.

Novia Solutions is a nationwide healthcare leadership placement agency, specializing in interim leadership placement. As specialists in healthcare, Novia has cultivated an extensive team of top tier, specially trained, professional interim leaders who are committed to executing your organization's strategic priorities. Successful Interim Leadership starts with a strong partner who delivers seasoned experts at a moment's notice to stabilize turmoil, manage change, and produce results.



Our sister company, Novia Strategies, has one goal: To help hospitals and health systems improve their operations, quality and financial strength so they can continue to care for patients. As one of the longest-established clinician-owned healthcare consultancies in the country, Novia has the experience, flexibility, structure and size to implement results quickly and to create the culture of change needed to sustain those results.

Novia works within individual departments, and also delivers integrated services across the entire organization as the team partners with clients to operationalize their strategic plans. Key focus areas include:

- Care Management Transformation
- Non Labor
- Revenue Cycle
- Surgery
- Labor Productivity
- Pharmacy
- Safety & Quality
- Compensation & Benefits
- Technology