



SUCCESS STORY

NCH Healthcare System

Driving Supply Chain Efficiencies—Together

An alliance of more than 700 independent physicians and medical facilities, NCH Healthcare System, Inc. (NCH) is more than a highly recognized care provider in Southwest Florida; patients know it as the best place where they can get all the care they need.



NCH Healthcare System includes dozens of locations providing comprehensive care—heart, cancer, obstetric, newborn, pediatric and beyond. In 2012 the system became the first Mayo Clinic Care Network member in Florida and the Southeast region of the United States.



The Challenge

OVERCOMING SUPPLY CHAIN WOES

One of the first priorities Owens & Minor (O&M) helped NCH tackle was establishing an efficient supply chain built on sustainable processes—supported by cutting-edge technology and experienced supply chain leaders. The healthcare system did not have a warehouse on site, so they needed daily deliveries to keep their stock up. Their previous distributor preferred to deliver items in bulk.

With the previous distributor, NCH Healthcare System had to use different product codes, even if the items were identical. This created inefficiencies and confusion during the ordering process. Problems exacerbated when the previous distributor would not stock third-party products.

“*The previous distributor did not like to stock anything that was not in their brand. If we did not use their brand, we had to fight to bring it into the warehouse, drop shipping over and over to get products into the hospital. As a result, freight costs increased.*”

Matthew Stacell
Director of Supply Chain Services, NCH Healthcare System

Some NCH staff took it upon themselves to work directly with other manufacturers to procure the products they needed. “You want to give one PO to your distributor and you’re done. Going direct to the manufacturer you need a different PO for every layer—it’s inconvenient and hard to trace it back,” said Stacell.

Ultimately, NCH hired someone full time to manage the supply issues they were facing. Even then, the challenges became too much to bear, so NCH decided to again team with O&M.

RESULTS AT A GLANCE



Lower freight expenses



Better fill rates



Fewer pricing discrepancies

The Solution

A NEW LEVEL OF EFFICIENCY

Reuniting with Owens & Minor gave NCH a partner with deep understanding of their processes, challenges and needs.

NCH Healthcare System was counting on Owens & Minor to proactively manage deliveries to its many locations, including rehab centers and wellness centers. Owens & Minor implemented logical-unit-of-measure and just-in-time delivery options to help reduce on-site inventory, free up space that can be reallocated for revenue generation, and minimize product expiration.

“*Owens & Minor gives you what you need where you need it. The stress factor in our office has reduced tremendously.*”

Jim Wanck
Purchasing Manager, NCH Healthcare System

NCH Healthcare System also uses Owens & Minor’s RealPriceSM, an end-to-end price management process to significantly reduce billing errors. When there is a pricing exception, O&M does not invoice those lines to NCH until they identify the cause of the issue and agree on who needs to make the correction. *[Continued on back side]*

Kathy Walker, Field Contract & Pricing Analyst at O&M, plays an important role in investigating any pricing discrepancies before they become an issue, communicating all updates to NCH in a timely manner. "It's my job to pay close attention to contracts and proactively keep an eye on upcoming expirations," Walker said. "I'm familiar with NCH reports, so I can look at them, identify inconsistencies and adjust accordingly. I know their pain points, who to contact and where to find answers when I need them."

Walker also verifies that suppliers are on the correct contracts and tier levels and matches prices appropriately. Quickly correcting contract and price discrepancies allows NCH to send invoices without delays or potential financial loss.

The Result

ACHIEVING POSITIVE PATIENT OUTCOMES— AND STAFF SATISFACTION

NCH Healthcare System has experienced better fill rates, lower freight expenses and fewer pricing discrepancies with O&M resuming management of their supply chain. Fill rates are especially important, given how common backorders are in the healthcare environment. Owens & Minor identifies product substitutions to ensure NCH has options when they need them, and has built strong global partnerships with leading manufacturers to give NCH more choices. The health system is now able to order more products, all on the same PO and delivered on the same truck.

“The little things matter a lot to improve staff and patient satisfaction. It's about more than price.”

Matthew Stacell
Director of Supply Chain Services, NCH Healthcare System

Both the Owens & Minor and NCH teams look forward to strengthening their relationship and improving outcomes for patients throughout Southwest Florida.

“We're extremely excited to be supporting NCH again. Our solutions will help improve their supply chain performance so NCH can advance healthcare in their communities.”

Shane Malek
Sales Director, Owens & Minor



A future of supply chain savings

NCH Healthcare System and Owens & Minor are working together to fully implement a two-bin inventory management system. Known as Two-Bin Kanban, the approach accelerates the process of replenishing and stocking items. Hospital staff draw items from one bin until it is empty, then pulls from the second bin. This visually notifies the supply chain team when items need to be restocked, ultimately contributing to significant cost-savings and minimized waste in the supply chain.

NCH is also looking to O&M for robust clinical inventory management solutions like QSight® and PANDACSM. "We require more than a box solution, and Owens & Minor gives us exactly what we need," said Stacell.



ABOUT OWENS & MINOR

Success doesn't end with one story. At Owens & Minor, we are constantly thinking of new ways to help our customers grow their business. We continue to partner with NCH Healthcare System to identify opportunities to simplify workflows, improve financial performance and deliver the exceptional patient care they're known for. Let us do the same for your hospital.

Contact us at omlearnmore@owens-minor.com.

To learn how our distribution, logistics, products and services can help bring greater efficiencies and profitability to your supply chain, contact omlearnmore@owens-minor.com or 1-866-935-0798.



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