



A Study of the Hospital Supply Chain
Survey Questions and Summary of Survey Responses

Report prepared by

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Disclaimer: The views represented here does not reflect that of University of Houston or AHRMM. The findings are based on the authors' interpretation of the survey data.

Incentive Alignment

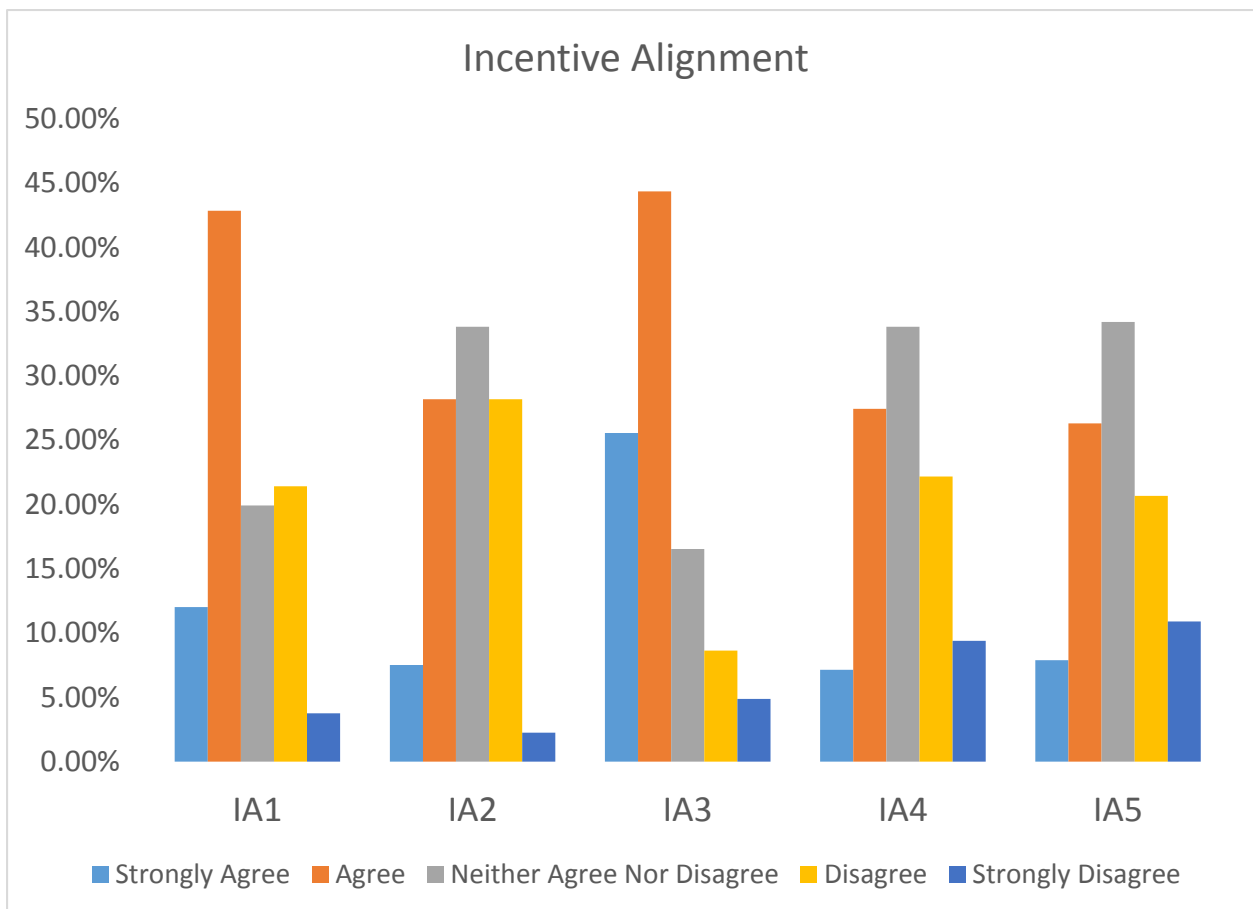
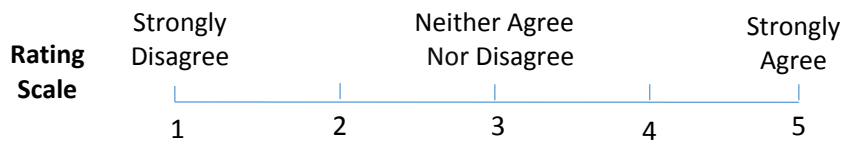
IA1. Physicians are actively involved in supply chain led initiatives to reduce costs

IA2. Interest of physicians is aligned with the hospital rather than with manufacturers

IA3. At our hospital, the percentage of hospital-employed physicians has been increasing

IA4. Our incentive systems encourage cross-functional involvement in supply chain initiatives

IA5. Our incentive systems do NOT align physicians' interests with supply chain cost savings

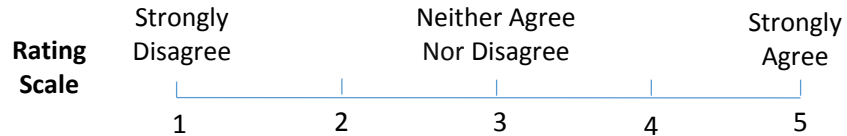


Supply chain training and awareness

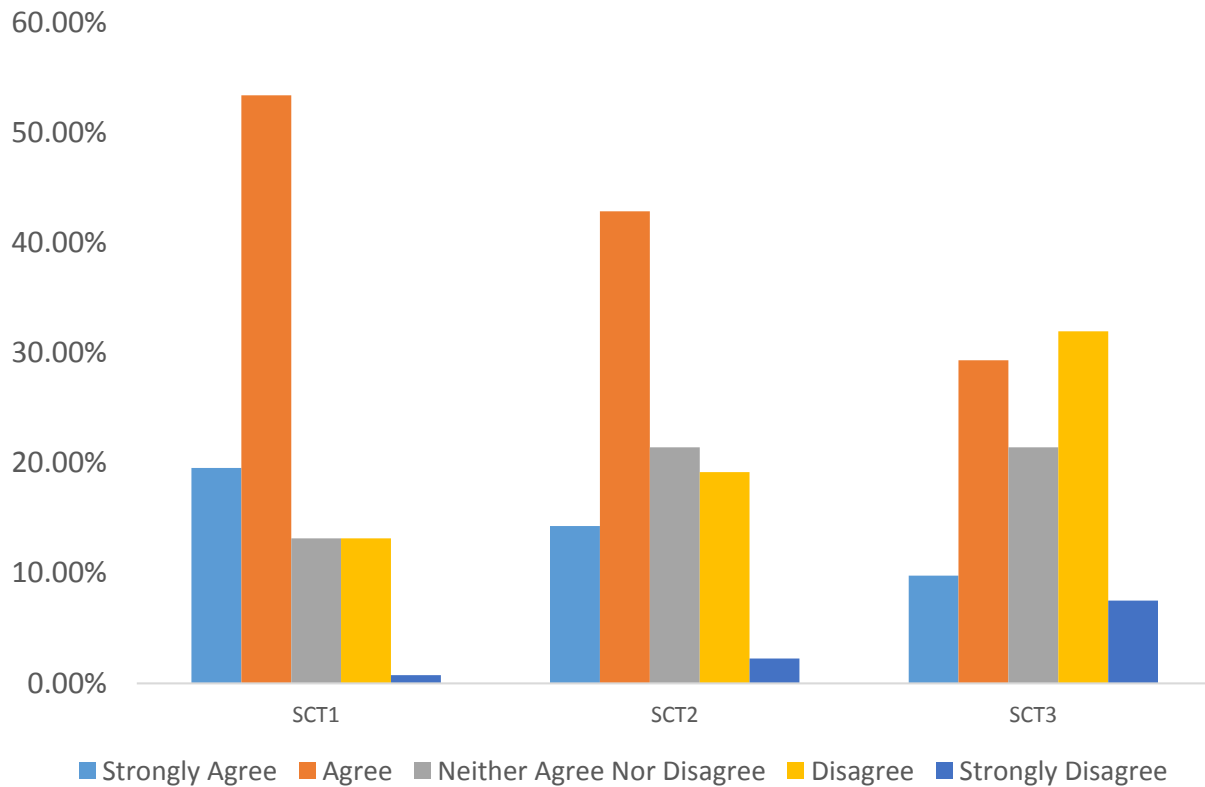
SCT1. Our hospital employees are informed about supply chain cost saving strategies

SCT2. Our supply chain staff actively communicates supply chain management goals to all the hospital employees

SCT3. Physicians and nurses in our hospital understand the total cost impact of supply chain management



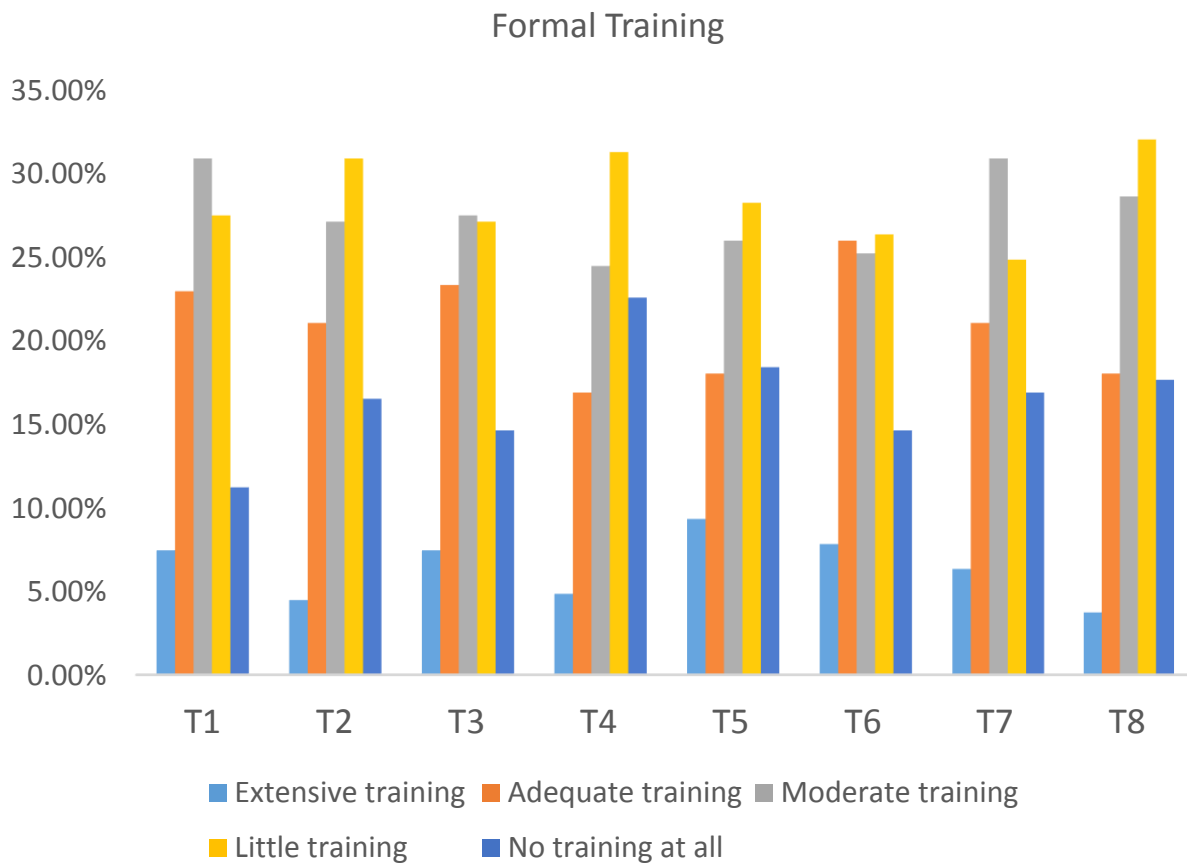
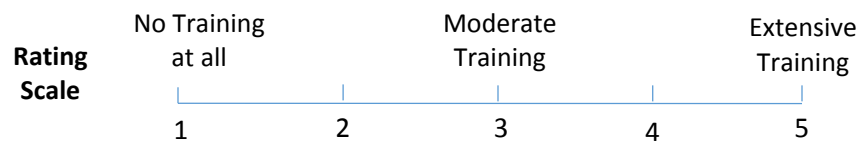
SC Training and Awareness



Formal Training

Evaluate the amount of formal training (internally or externally) your supply chain staff receives in the following areas

T1. Value analysis/value engineering	T5. Lean management
T2. Negotiation	T6. Data analysis
T3. Contracting	T7. Communication and presentation
T4. Process mapping	T8. Project management



Supply Chain Organization

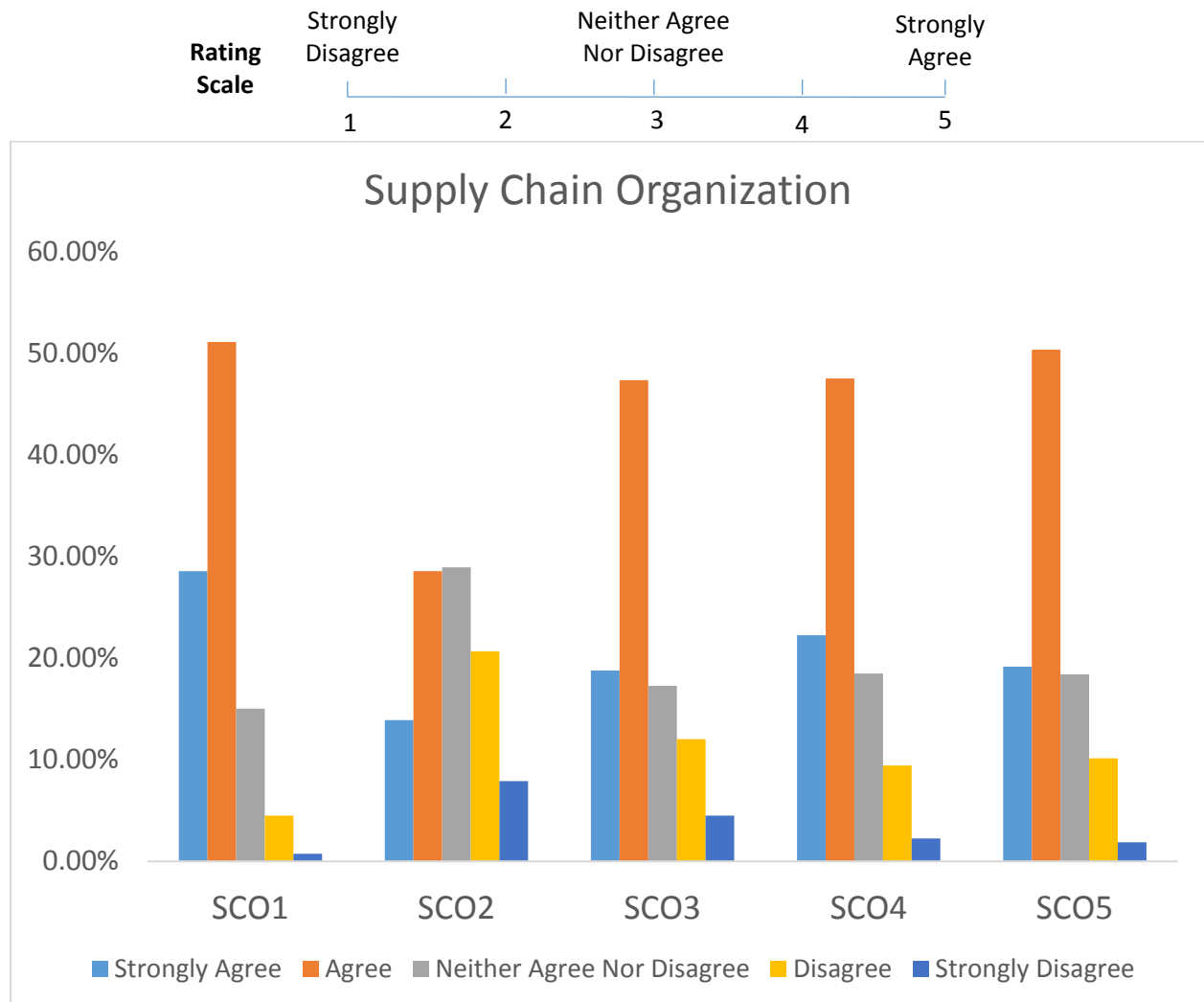
SCO1. Supply chain management group has earned credibility by delivering sound, consistent results

SCO2. We continually acquire new talents in supply chain management

SCO3. Our supply chain professionals have diverse background/ experience (e.g., clinical, accounting)

SCO4. Our supply chain professionals have experience working in cross functional teams

SCO5. Supply chain leaders communicate the importance of supply chain management to hospital employees



Senior Management Support to Supply Chain Organization and Initiatives

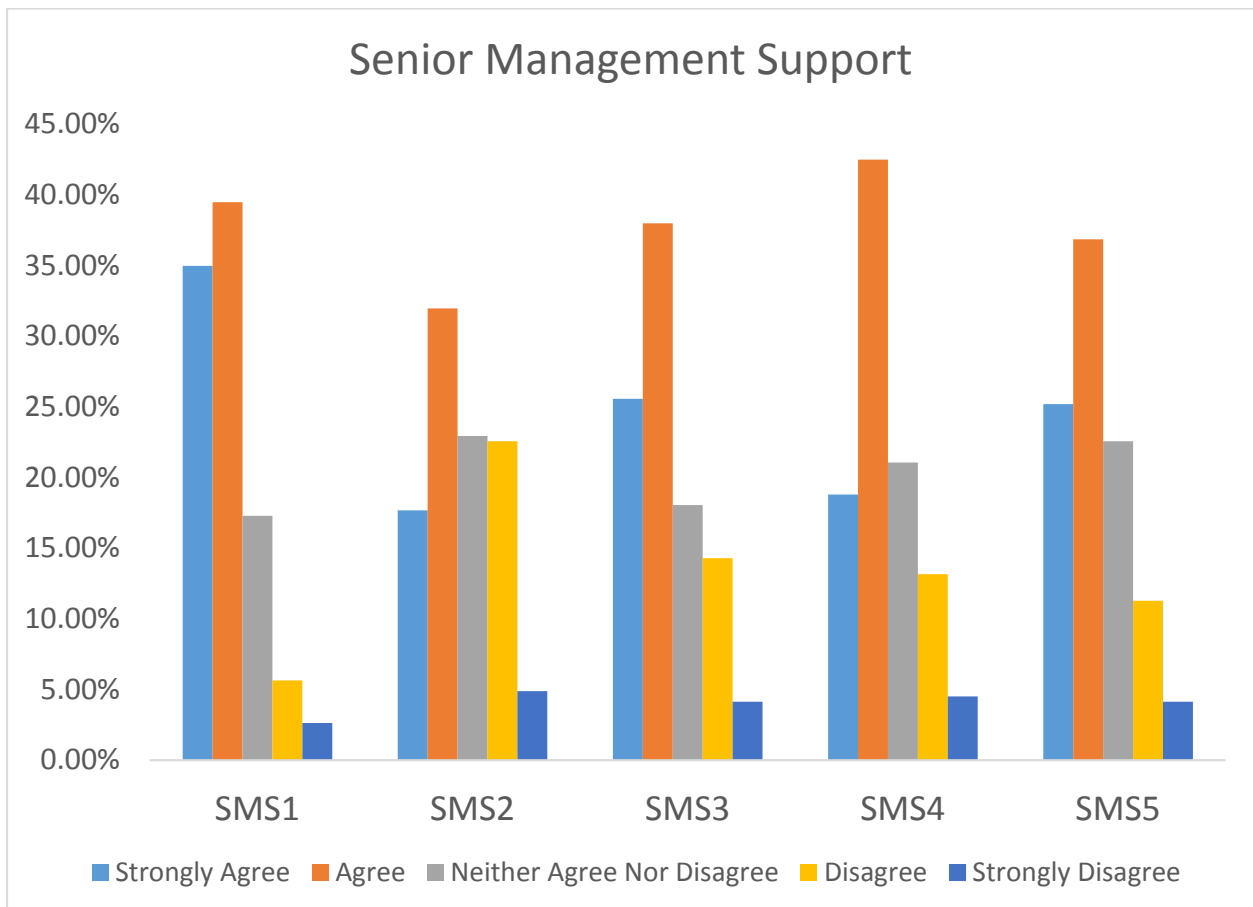
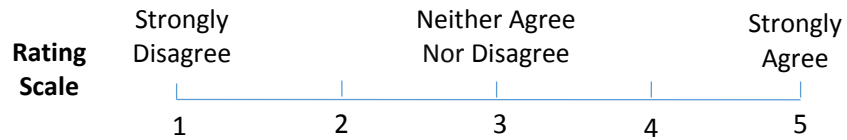
SMS1. Senior management is supportive of our efforts to improve supply chain

SMS2. Senior management communicates the importance of supply chain management to all the hospital employees

SMS3. We have clear supply chain goals identified by senior management

SMS4. Senior management participates in major supply chain management initiatives

SMS5. Senior management encourages cross-functional involvement in supply chain initiatives



Supply Chain Staff's Competence Levels

Please evaluate your supply chain staff's competence levels compared to those at peer hospitals.

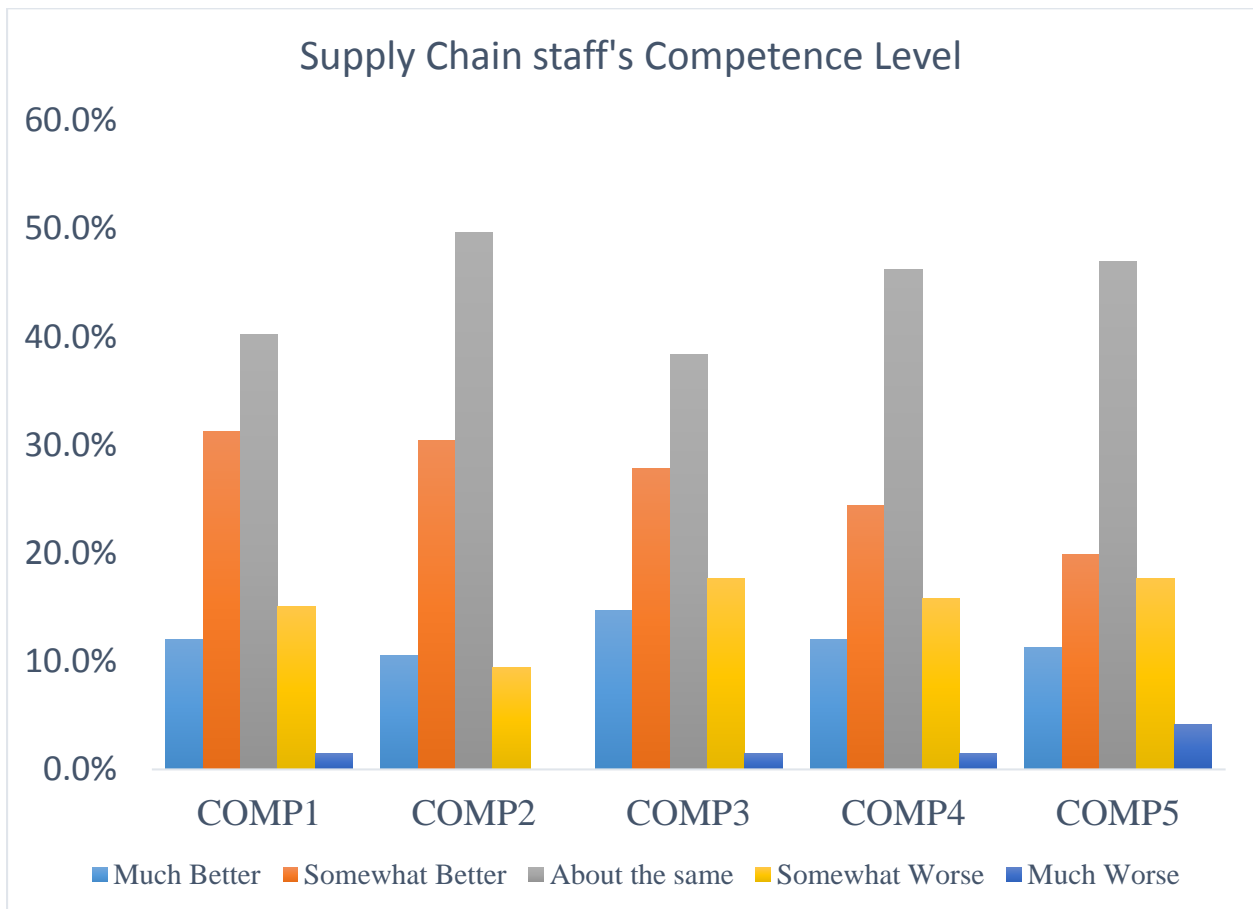
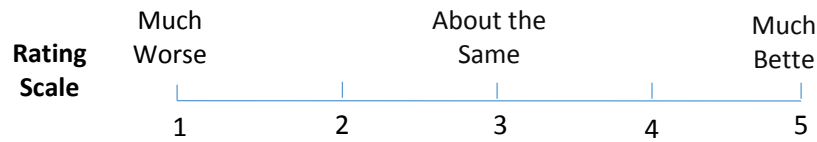
COMP1. Analytical skills

COMP2. Clinical understanding

COMP3. Working knowledge of current organizational productivity and efficiency approaches (such as lean process management)

COMP4. Business administration and strategic planning

COMP5. Ability to influence the corporate culture



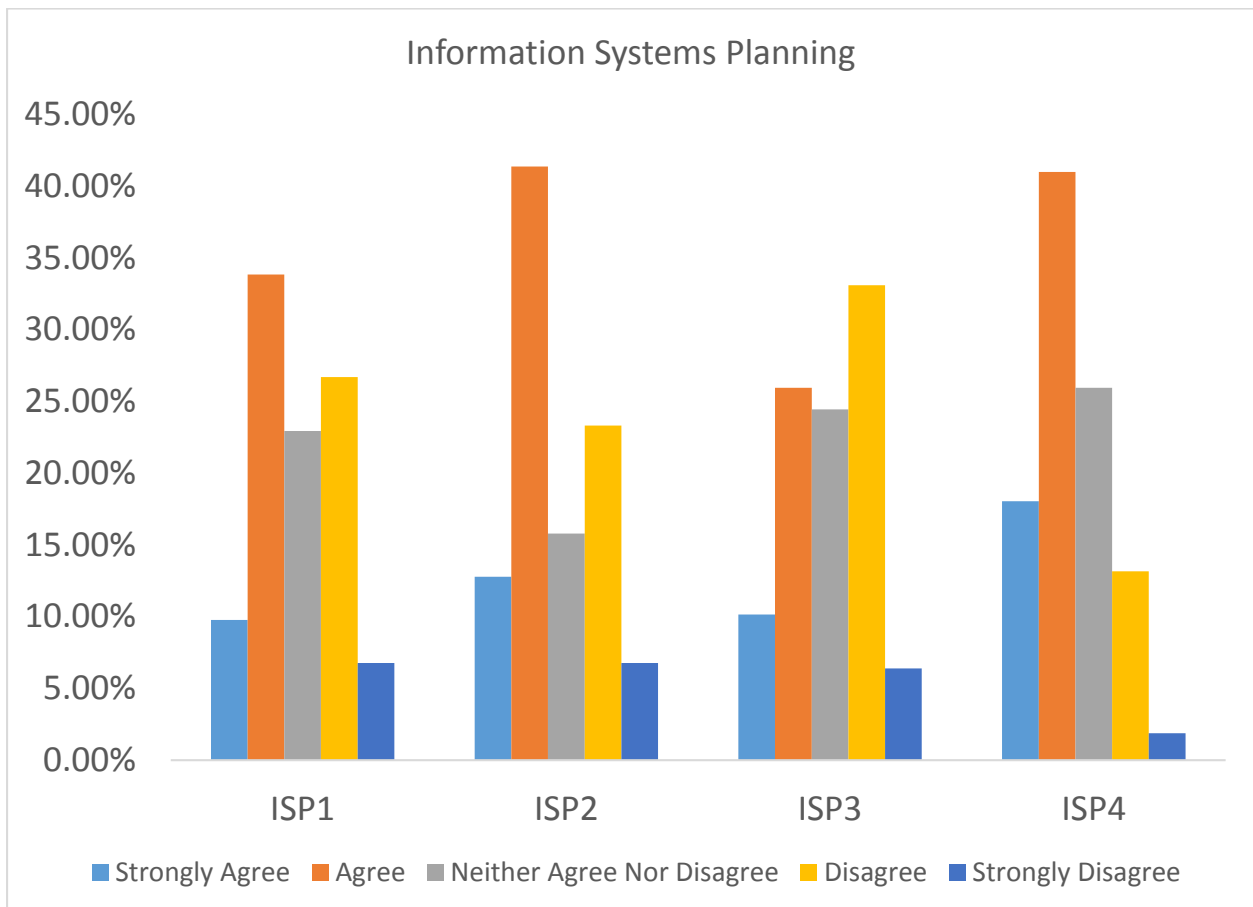
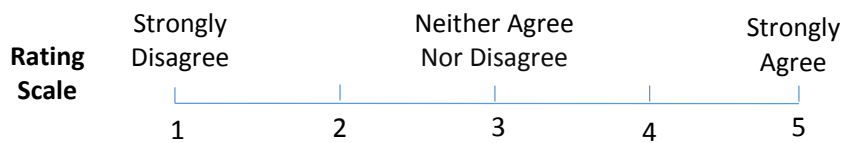
Information Systems Planning

ISP1. Requirements of supply chain staff is considered to be a key component of overall information systems planning

ISP2. Supply chain leaders participate in information systems planning

ISP3. The supply chain function has an information system strategic plan that is shared with CIO or other senior IT leadership

ISP4. Information system executives and the supply chain executives have a good working relationship



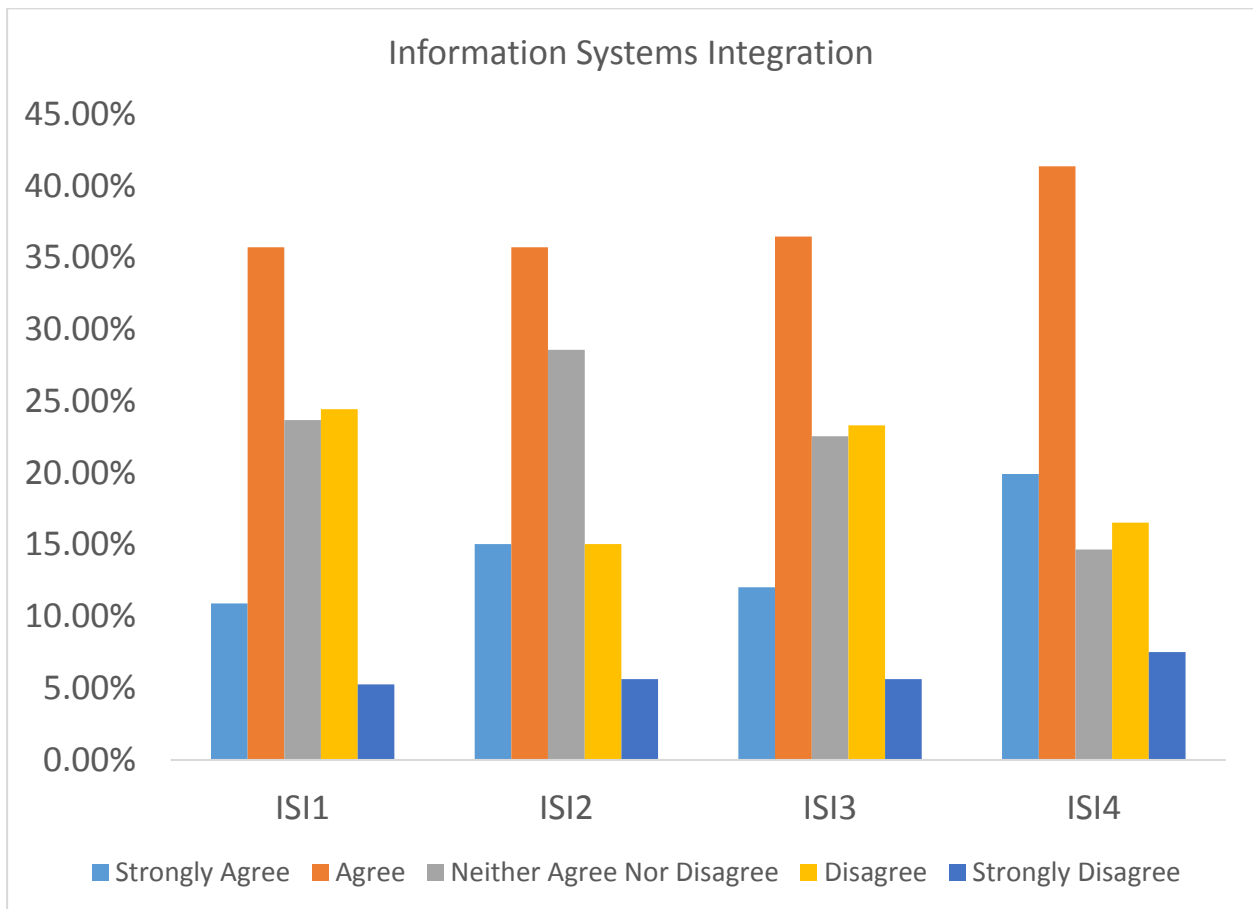
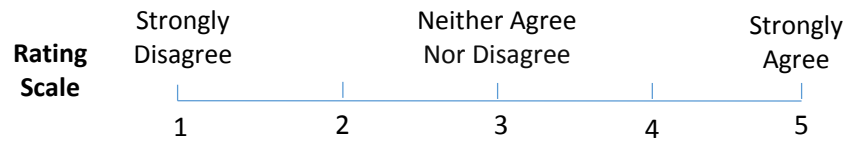
Information Systems Integration

ISI1. Information systems across different functions (e.g., clinical systems, supply chain systems) are interoperable

ISI2. Our hospital has established a common SCM data architecture

ISI3. Data stored in different databases across the supply chain is consistent

ISI4. Automatic data capture systems are used for material flows within the hospital (e.g., barcode, Pyxis etc.)



Information System's Functional Capability

ISF1. Our information systems provide hospital wide visibility

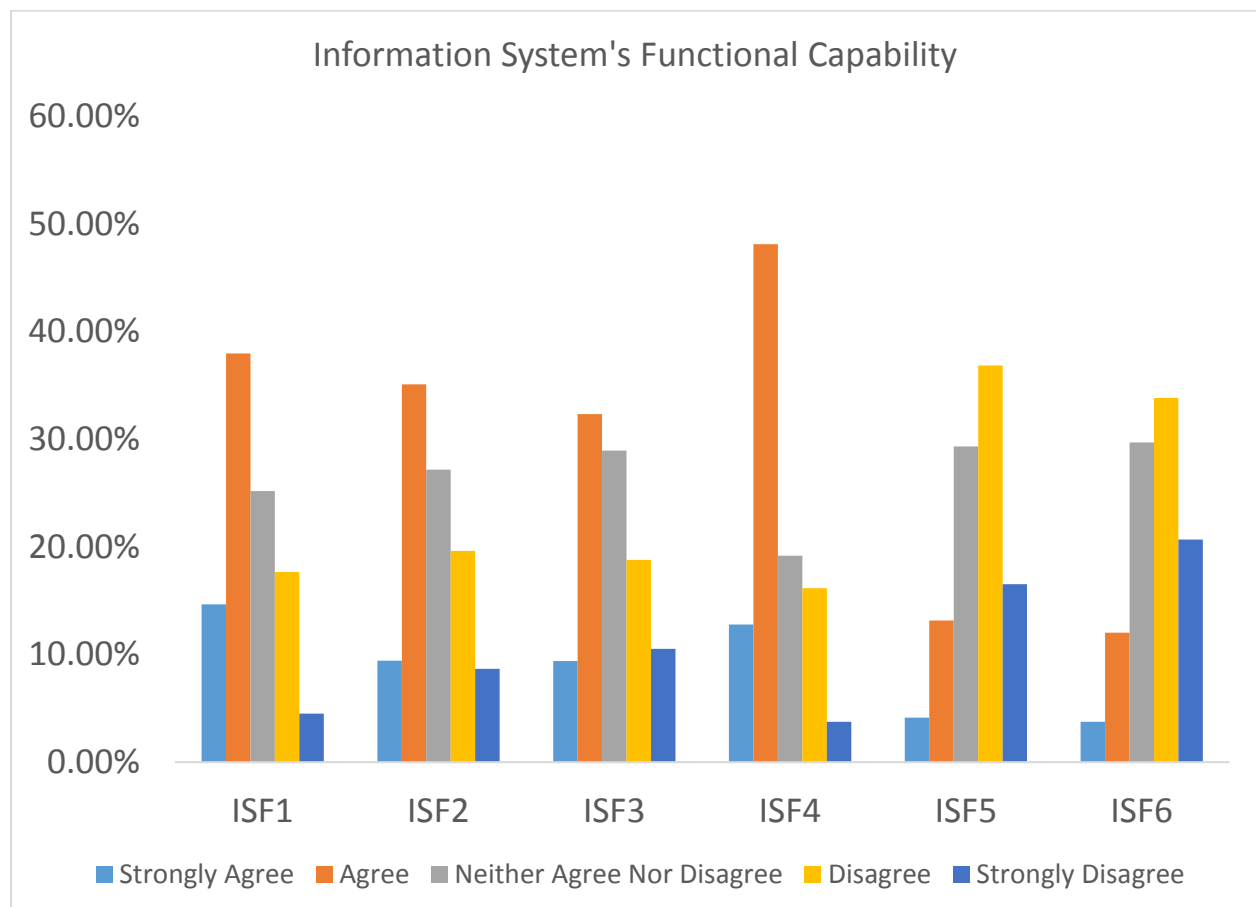
ISF2. Our information systems have the capability to capture patient outcomes, procedural costs and pricing

ISF3. Our information systems allow for the complete automation of procure-to-pay processes

ISF4. Our information systems capture data on material utilization

ISF5. Our information systems capture the effectiveness of material used

ISF6. Our information systems capture the effectiveness of the equipment used



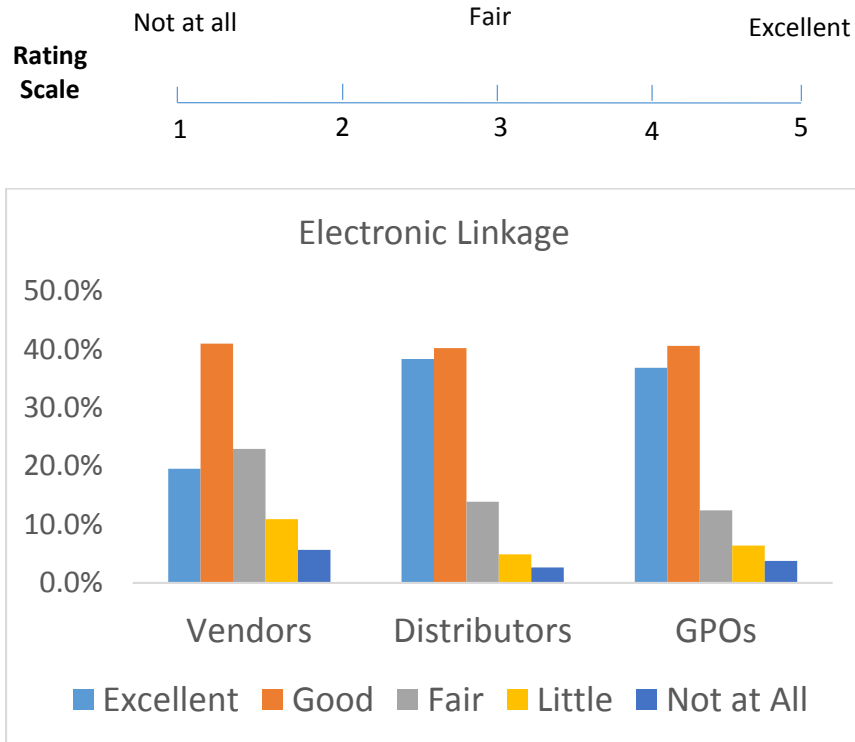
Electronic Linkage

Describe the extent to which your hospital is electronically linked with

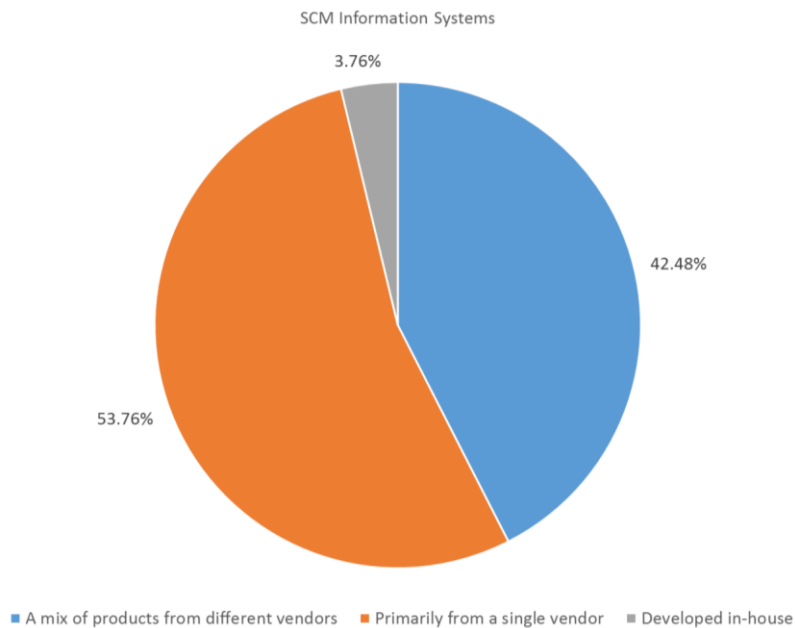
EL1. Vendors (Suppliers)

EL2. Distributors

EL3. GPOs.



Supply Chain Information Systems



Outsourcing

OUT1. Distribution (shipping, receiving and fulfillment) activities are outsourced in our hospital

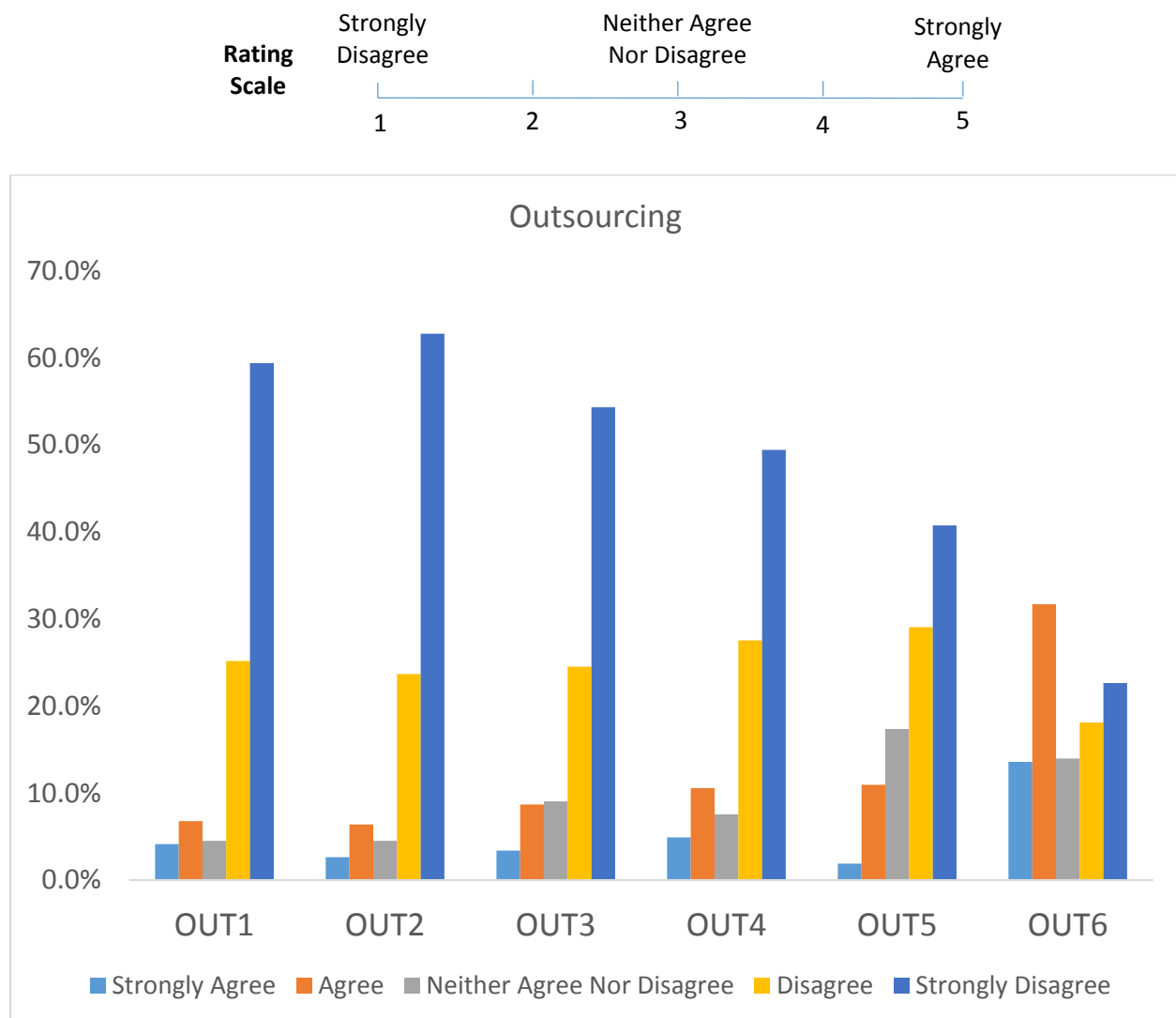
OUT2. Procurement activities are outsourced in our hospital

OUT3. Contracting activities are outsourced in our hospital

OUT4. IT services are outsourced in our hospital

OUT5. Clinical services (e.g., dialysis services, diagnostic imaging) are outsourced in our hospital

OUT6. Support services (e.g., food, linen) are outsourced in our hospital



Supply Chain Processes

SCP1. Our hospital actively pursues supply chain process improvement (e.g., six sigma, lean) initiatives

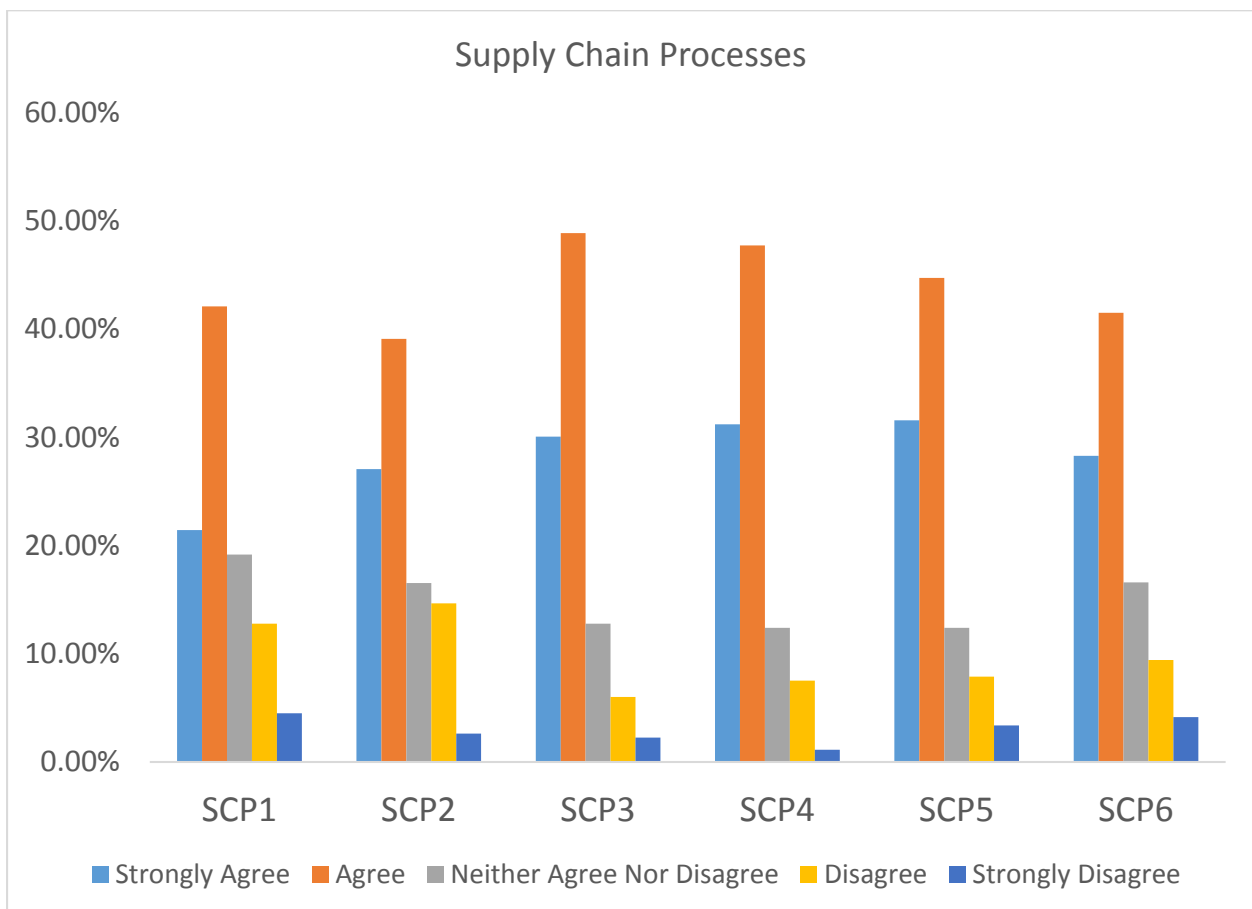
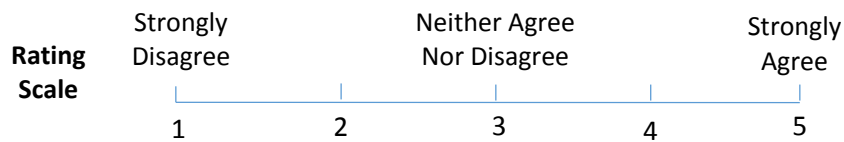
SCP2. We actively benchmark our performance and practices against industry standards

SCP3. Our supply chain processes are aligned with overall strategic objectives of the hospital

SCP4. Distribution processes are standardized in our hospital

SCP5. Procurement processes are standardized in our hospital

SCP6. Contracting processes are standardized in our hospital



Quality of Data Collection and Utilization in Your Hospital

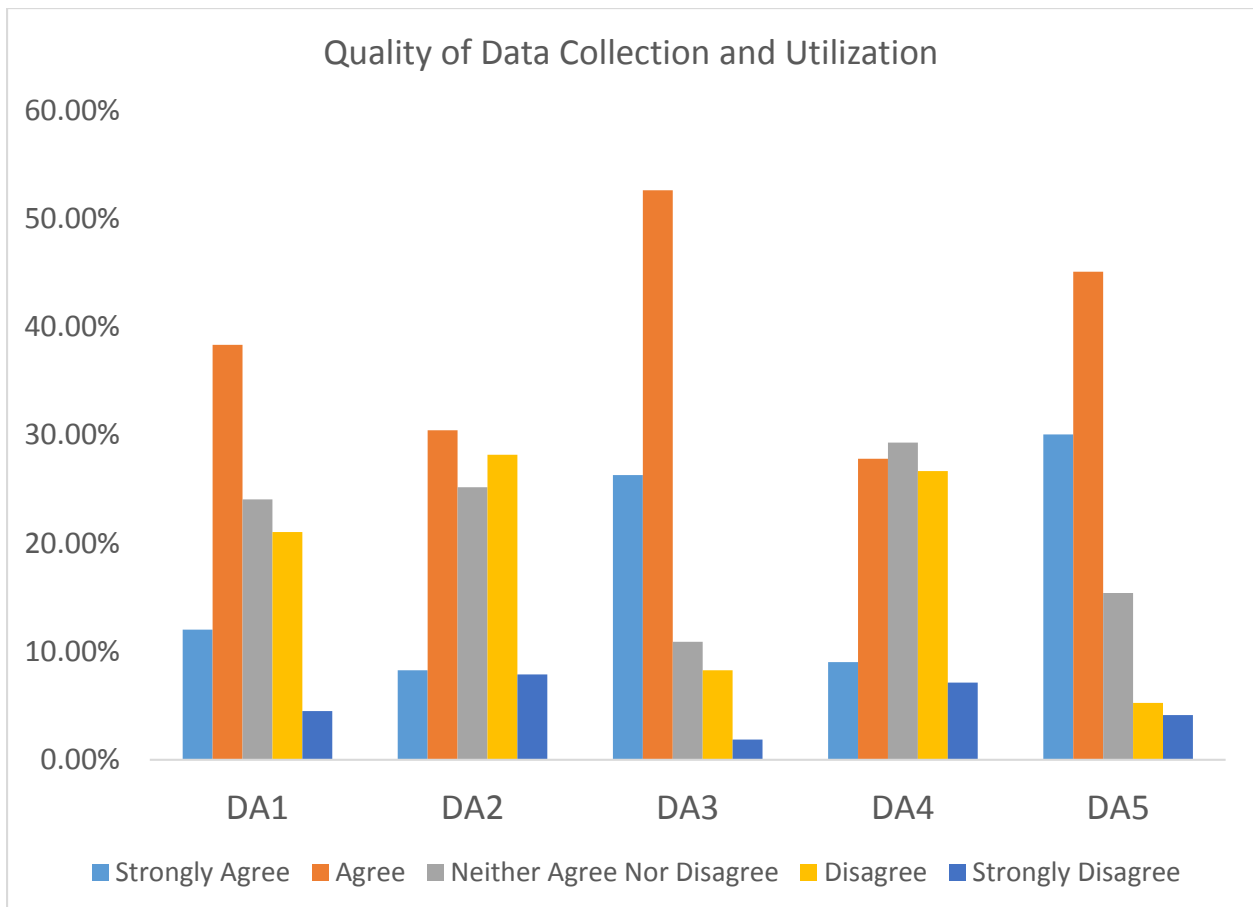
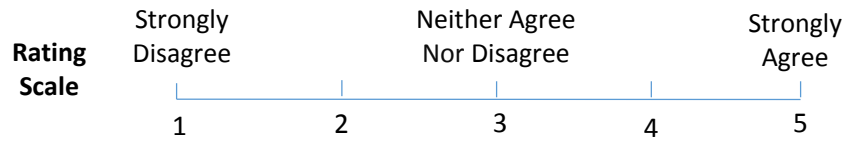
DA1. We analyze product effectiveness and usage (utilization) on a regular basis

DA2. We keep track of supplier performance metrics

DA3. We regularly evaluate product prices and supply base

DA4. We make extensive use of statistical techniques to understand the variance in processes

DA5. We embrace data-informed decision making in the supply chain



System Coordination

(Hospital that were part of a multi-hospital system answered the following questions).

SC1. We have an integrated/centralized supply chain strategy at the hospital system level

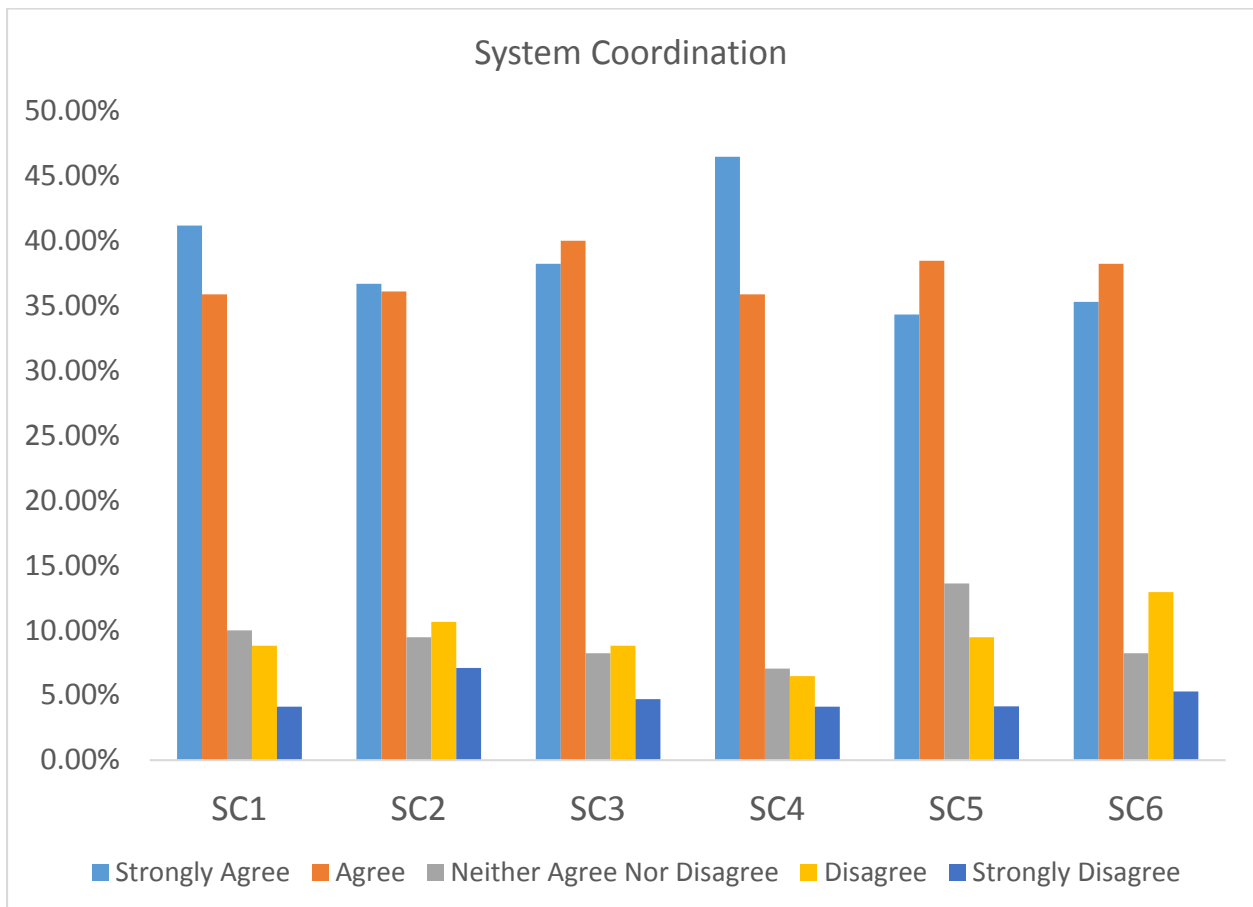
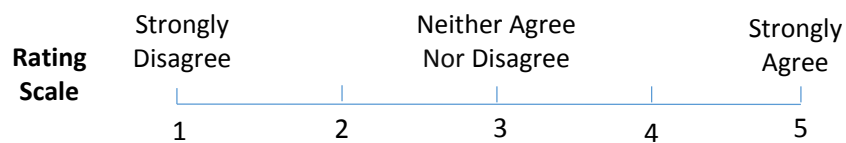
SC2. Our IT strategy is coordinated at the hospital system level

SC3. Our procurement activities are coordinated at the hospital system level

SC4. Our GPO contracts are coordinated at the hospital system level

SC5. Our Non GPO Contracts are coordinated at the hospital system level

SC6. Our distribution and fulfillment activities are coordinated at the hospital system level

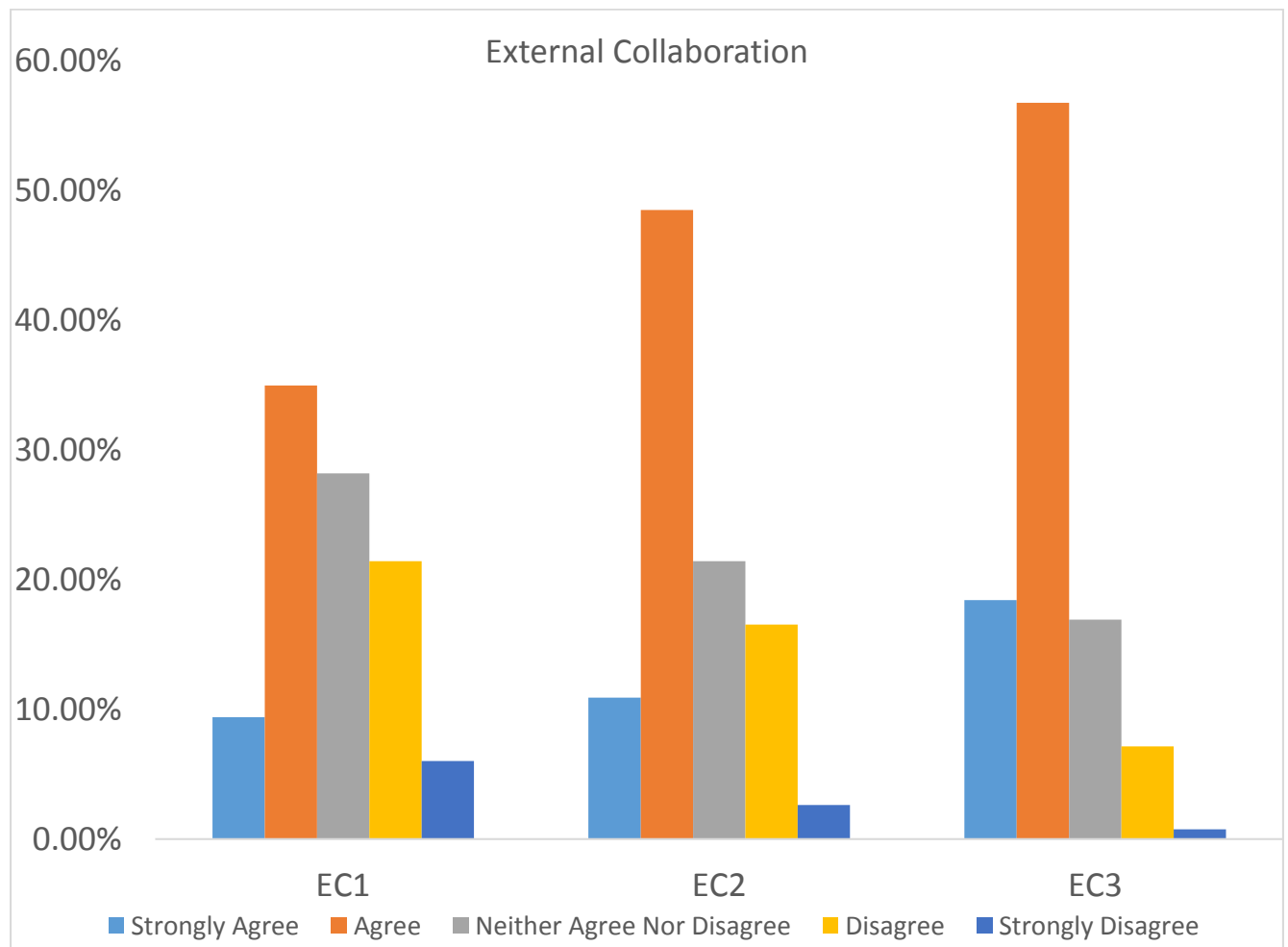
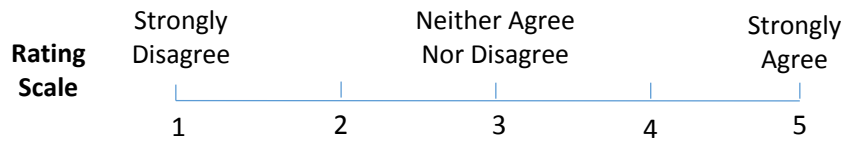


External Collaboration

EC1. Clinical utilization data are shared with our supply chain partners

EC2. We share performance feedback with our supply chain partners

EC3. We promote collaboration with our supply chain partners



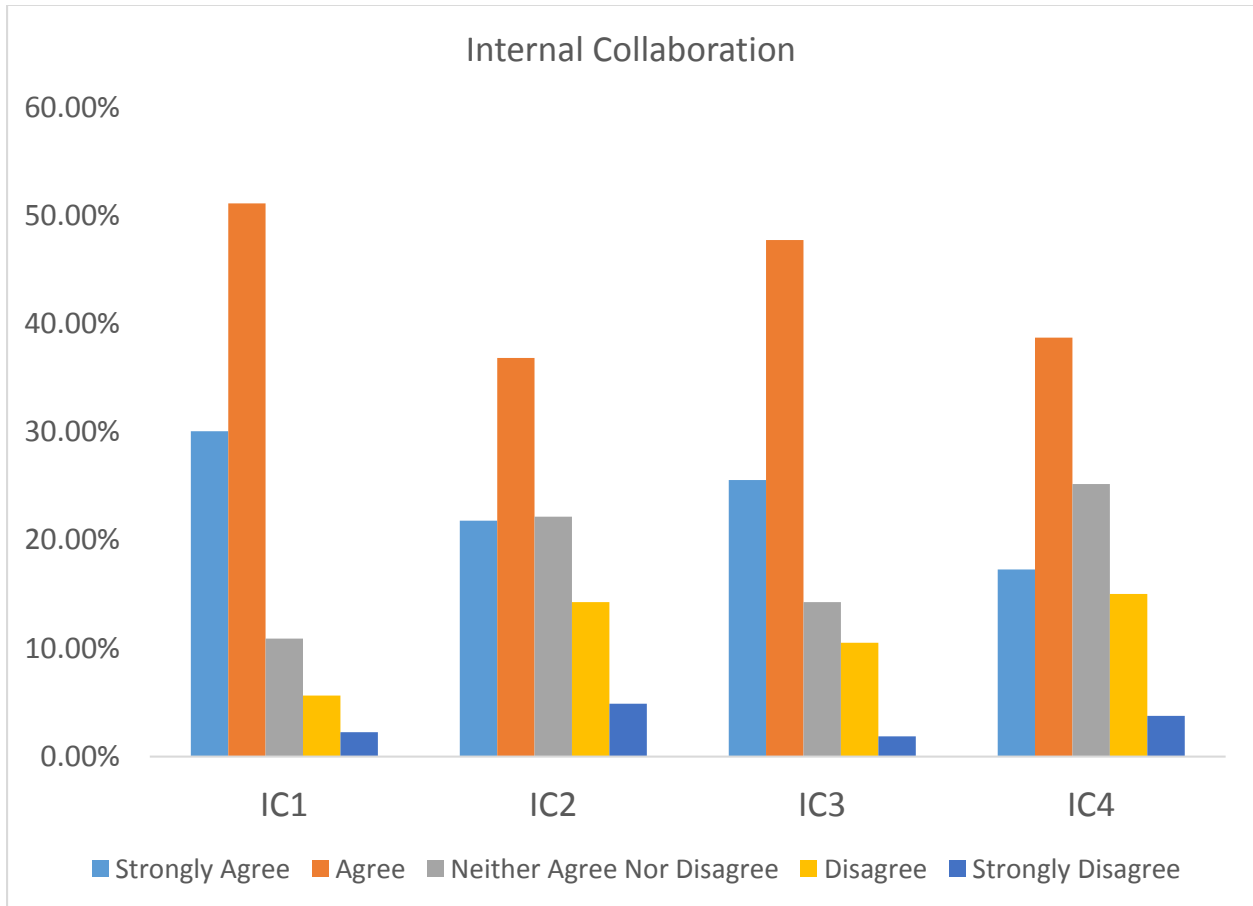
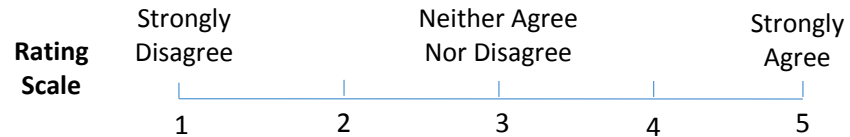
Internal Collaboration

IC1. We have cross functional teams for product standardization initiatives

IC2. We hold regular planning and communication meetings with physicians and nurses

IC3. Supply chain analysis results are shared with other departments in the hospital

IC4. Financial and utilization goals are shared with physicians and nurses



GPO Relationship and Services

GPO1. Our relationship with GPOs is based on contract compliance

GPO2. We typically obtain lower prices through GPO contracts

GPO3. Our GPOs offer mostly single-vendor multi-product contracts

GPO4. We use GPO pricing as the starting point of our own contracting efforts

GPO5. Our GPOs help us benchmark with peer hospitals

GPO6. Our GPOs assist us in supply chain analysis and improvements (supply spend audit tools, technology assessment, etc.)

GPO7. We use GPO services in selecting and standardizing our materials

GPO8. We have multiple suppliers for commodity items

GPO9. We have multiple suppliers for physician preference items



Performance Changes

Reflecting back on your performance for the *last three years*, please indicate how your performance has changed

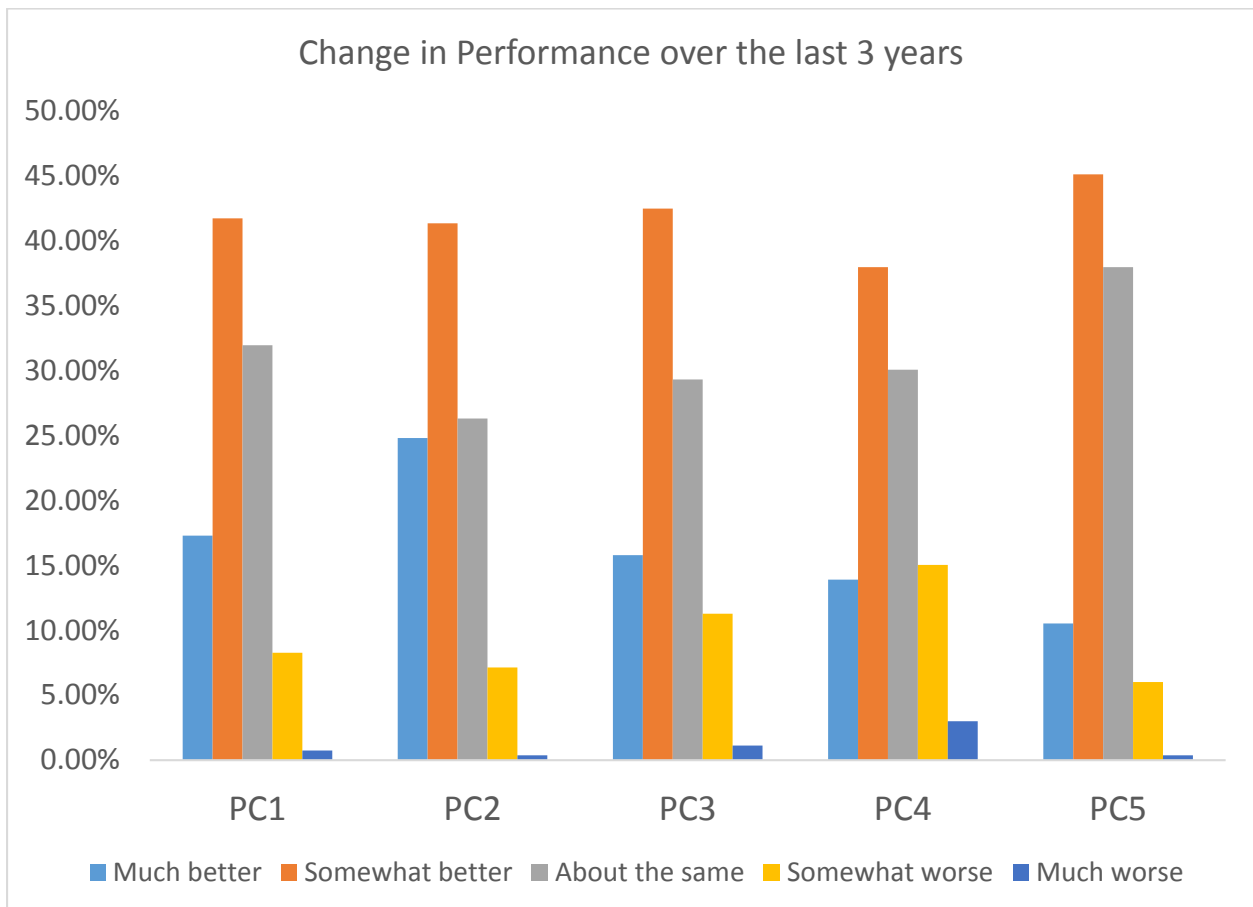
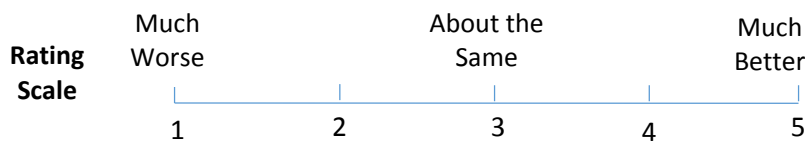
PC1. Logistics costs

PC2. Procurement costs

PC3. Contract flexibility

PC4. Number of SKUs (having a low number of SKUs is better)

PC5. Product utilization



Performance Comparison to Peer Hospitals

C1. Logistics cost

C2. Utilization of material and equipment

C3. Number of SKUs (having low number of SKUs is better)

C4. Supply Cost as percent of total expenditure

