



# SCL Health



PAR Bin

Model PX3232

Manufacturer Code: 18184

Calibration Code: 18184

IVDC Model Made in USA

0000020504123

PAR

Maximum Capacity

15 kg /

33 lbs



CASE STUDY

# SCL Health cuts SKUs, improves inventory access with far-reaching PAR Excellence's technology

7

NO. OF HOSPITALS

69,306

NO. OF SCALES  
INSTALLED

70

DEPARTMENTS  
WITH SCALES

386

NO. OF LOCATIONS  
WITH SCALES

## WEIGHT-BASED INVENTORY CONTROL AUTOMATES SUPPLY TRACKING, RESUPPLY

The situation will be all too familiar for healthcare materials managers: low visibility into inventories, proliferation of SKUs, budgetary pressures and staffing constraints. To address all of these challenges at once, SCL Health has embraced a comprehensive inventory management solution from PAR Excellence.

With 7 hospitals and more than 200 clinics across Colorado and Montana, SCL Health is a leading healthcare provider in the Mountain region and Central Plains. Inventory control was fragmented between a hodge-podge of solutions from different vendors, adding complexity and administrative overhead to routine product control tasks. Locked cabinet solutions were cumbersome for nurses and inventory specialists alike; bar-coding open shelves consumed tremendous labor and only produced inconsistent results.

"One of the nursing supervisors said she was spending an hour a week getting people into the cabinets because their access codes weren't working," said Maureen McLarney, senior director of Supply Chain Operations. "During put-away, nursing and supply chain bumped into each other. We'd have to log out, close the door, let the nurse log in and take product, then log back in to restock."

## AT A GLANCE

- Self-installing PAR Excellence weight-based inventory control solution in 7 hospitals across Central U.S.
- Managing stock and non-stock in storerooms, nursing units, ORs, cath labs, interventional radiology, ICUs, and clinics.

## RESULTS

- ✓ Eliminated 20% of SKUs and 10%-15% of total stock in typical nursing units, more than 15% of SKUs in ORs.
- ✓ Fewer stockouts, reduced hoarding in dispersed storage areas.
- ✓ Improved inventory management and customer satisfaction.

In addition, the incumbent technologies and practices – such as handheld inventory tracking devices used with SCL Health's Lawson MMIS – were largely manual, forcing shelf counts, eyeball estimates, and overstocking.

"Our associates determined what they had in the rooms by spot checking and using the handhelds for

par levels." McLarney said. "If there was too little, they might bring more supplies so they don't have to come back tomorrow. Especially when many of our teams are strapped for sources this just made life easier."

With a storage vendor's contract coming up on renewal, SCL Health pilot-tested a series of technologies, including the PAR Excellence system. PAR's weight-based system automates day-to-day inventory tracking, determining quantities in real-time as products are used and replenished, without manual counts. PAR's software then generates reorder recommendations, prepares orders and optimizes stocking levels in the background. Immediately, the PAR Excellence solution impressed caregivers.

"It was a great nurse satisfier," McLarney said. "In the PAR areas, we experienced a considerable decline in stock outs while nursing satisfaction improved. With PAR nurses quickly gained confidence that they could go to a location and find the supplies they needed."

## SELF-INSTALL OPTION SPEEDS ROLLOUT, BUILDS IN-HOUSE EXPERTISE

SCL Health began deploying PAR Excellence storage hardware to control both stock and non-stock items in areas such as nursing units, ORs, Cath Labs, interventional radiology, ICUs, and clinics. The hospital network chose the "self-install" option, using its own teams to install PAR Excellence hardware and software, using PAR initially under a "train the trainer" approach. In addition to saving money, this had the advantage of speeding the rollout across SCL Health hospitals and clinics and building extensive in-house expertise with the PAR system.

"We developed a PAR Excellence 'super user' group for the health system," McLarney said. "A PAR Excellence analyst is at each hospital, who is responsible for running the system, working with nursing floors – a core team for making sure it's running well and sharing best practices. We were so involved and so knowledgeable we became experts."

At this point, the supply chain team has the process down pat. They install wall panels or louvers as appropriate to support configurable rows of PAR Excellence scales. PAR software runs on servers in the SCL Health central network facility, so the supply chain team wires the banks of scales to the network

backbone, a connection that simultaneously provides power for the scales. Behind the scenes, PAR Vision software works to analyze inventory activity and help the staff visualize opportunities for inventory reductions and redeployments. An interface to the SCL Health Lawson MMIS automates requisition preparation, printing pick tickets for stock room replenishment or preparing POs for ordering, as appropriate.

"As we begin a new facility, we included the facilities and construction people to create a one-group discussion," said Garret Hall, Supply Chain operations manager. "After the first two sites, you get into a rhythm."

Once the infrastructure is in place, each bin is associated with a supply item, and initial par levels are set in a process that proved an early "win" for the optimization drive.

"In a good number of the rooms, hospitals were significantly oversupplied before we put in PAR Excellence," Hall said. "The immediate effect of going live on PAR in each location was the visibility on overstock."

Soon after installation, Hall noted, the PAR Excellence platform delivers both credible insights and improved organization and visibility for right-sizing dispersed inventories.

"After six months, we've got solid data to take back to nursing, the area is reorganized and everything is easy to access," he said. "When we show that they haven't used certain items, we've had nurses say, 'I've never seen that before.'"

"The less obvious, although no less important impact of PAR's technology is on patient safety," Hall continued. "When we reduce stock outs, we reduce the likelihood that a care giver will leave the area to go look for supplies."

Working at a pace of two storerooms per week, the Supply Chain team takes a strategic approach to rollouts, with nursing floors up and running first. This enables nurse managers to generate positive word of mouth about the new inventory management approach as the installation moves into more challenging environments.

"We tend to leave OR to last," Hall said. "Nursing units may have 200 items, the OR has 3,000 items. If the OR hasn't heard some positive reviews or seen it working, they become nervous."

## RESULTS: MAJOR SKU REDUCTIONS, TIGHTER CONTROL

With the rollout nearing completion, the PAR Excellence system has already paid substantial dividends, reported McLarney. Typical nursing units are seeing elimination of more than 20 percent of SKUs and 10-15 percent of total improvement in reduction of non-stock quantity. Operating Rooms at one large SCL Health hospital have seen a 16 percent reduction in the number of SKUs which also improves space utilization. Certain corners of the SCL Health network have offered opportunities for even more dramatic savings.

"Within one room at Lutheran Medical Center, we reduced SKUs by 42 percent," McLarney said. "Previously a lot of the problem was fear factor. Without good data to show departments, we couldn't easily substantiate that they weren't using the products. With PAR Vision we're able to show them. If it's an emergency situation, do you need 10 or can you have two? Those conversations can happen easily, with clear data in front of you."

The new system also is proving useful in surfacing non-stock items that have worked their way onto nursing floors, bypassing normal purchasing protocols.

"I think everybody is really positive about the system," McLarney said. "It's easier to find products, and the product is there when they reach for it. There are fewer calls to Materials for emergency restocking." One

hospital in Montana has seen a reduction of call downs by 30%.

Supply Chain Operations Manager Garret Hall pointed to reductions in both stock-outs and hoarding, because caregivers have increased trust that supplies will be ready when needed. For the Supply Chain specialists, the PAR Excellence solution has boosted efficiency and accuracy.

"They're able to replenish faster with less opportunity for mistakes," McLarney said, "because they don't have to go to the storage areas and do a manual count."

The self-install option offered SCL Health a chance to exercise precise control over its rollout and develop a self-sustaining group of PAR experts in-house, McLarney explained, but it requires careful handling and sufficient resources.

"You need to be proactive and develop in-house experts of the PAR Excellence system," she said. "For us, having dedicated people trained and ready to work the process at larger hospitals has been the key to getting such good results. It has also been critical as we move from installation to sustainment that you have resources that can help support the care sites and maintain the maximum benefit the PAR Vision reports, identify/ implement best practices, and support training for our inventory teams."

## PAR EXCELLENCE HIGHLIGHTS



**Founded:**  
1993



**317**  
**Client hospitals and networks**



**1.5 MILLION**  
**scales installed**



**Headquarters:**  
CINCINNATI, OH

**7,000**

**Departments including:**  
Surgery, Pharmacy, Nursing, Storerooms, Central Sterile, Ambulatory, Non-acute

**Perfect for**  
**COUNTLESS**

**products including:** catheters, CPTs, drapes, forceps, gloves, gowns, linens, medication, respiratory, shampoo, stents, sutures, trocars, wires **...and more!**