



“Here’s how to prevent hordes from hoarding”

The following is an excerpt from HPN article by Rick Dana Barlow, April 2017 Issue:

“First, implement systems at the point of use that allow proper data capture without nurses having to spend time managing supplies. At one large metropolitan area hospital, they’ve reduced the time nurses spend in the storeroom by 65 percent, which equals several hours per day of saved time in each unit.

“For inexpensive items, two bin Kanban systems are easy and very inexpensive to implement. Nurses love them because they don’t have to do anything except grab the item they need, and occasionally move an empty bin up to a top shelf. Kanban is an extremely accurate way to manage low-cost items. For the more expensive, chargeable items, use a perpetual PAR approach, with technology that allows levels to be visible and easily managed, with daily, actionable reports that can be shared with clinicians so they understand and agree on adjustments to PAR levels.

“If I’m running Supply Chain, I want to see what stocked out yesterday. If it’s stocking out repeatedly, I know I have to adjust par, and I suspect I have a hoarding problem. It’s a great time to be proactive, go find the nurse manager and say, “I see you stocked out three times in the past two weeks.” You can let the manager know that you’re aware of the stock-outs, you have a solution to the recurring issue, and you’re ready for him or her to show you around the unit, so you can be sure there’s enough on the shelf, you can get correct counts, and check for expired products. A daily stock-out report allows you to get in front of recurring issues.

“Good velocity reporting shines a light on problems right away and makes it easy to show the clinician what’s happening in their area. You can see what’s moving faster or slower than you’d

anticipated, and you can adjust quickly — getting rid of the items moving slower to make room for those moving faster.

“Simple as this sounds, this level of efficient, simple inventory management doesn’t exist in healthcare today. But it can, and it should be our goal. Get rid of PAR replenishment, get simple systems that gather data, get simple reporting that we can share with clinicians, and give them the confidence that supply chain knows exactly what’s happening, so they won’t hoard and supplies won’t stock out.”

— **John Freund, CEO, [Jump Technologies Inc.](#)**

“The answer is velocity reporting. We’re starting to ramp up quickly with a relatively new reporting tool — in fact, we’re rolling it out right now on our busy 2nd floor. In this nursing unit, they have IV fluids stuffed in every nook and cranny. The bins are so full, you can’t rotate the stock, and as a result, a lot of IV fluids are expiring. The nurses felt like they wanted a lot of everything on hand, and in turn, there’s a lot of waste of items that aren’t used that often. I said ‘let’s just see what you’re using.’ Now we’re normalizing what they keep on hand. For things they’re using at a high rate, we’ll stock them. The more unusual items will be stocked in the hospital and we’ll replenish on the 2nd floor as needed. We’ve been planning to change out their shelving and the overstocking in this area has slowed down the process.

“Velocity reports have enormous value, both to Supply Chain and Nursing. We can show nursing exactly what they’re using. Nursing leadership is very aware of budget and they’re committed to supporting our effort to minimize spend. The data helps a lot — now, I can show them ‘par is 50 and you’re averaging 9 each month over the 60 days.’ With this data, we can reduce par and in turn, costs.

“Communication, trust, building relationship helps as everyone becomes more accountable. But it’s a balance. You have to decide how much time and effort you want to spend watching even the lowest cost supplies.”

— **Seth Larson, Director of Supply Chain Management, [Chesapeake Regional Medical Center](#)**

For information about [JumpStock](#) Inventory Management Solution, contact Jump Technologies at 651-287-6000 or visit our website at jumptech.com

