



Focus on 'Off-site Consolidation'

David James

Introduction – David James

Professional Background:

Supply Chain professional with both operational and developmental experience in logistics across the Healthcare, Chemical, and Automotive industries

Qualifications:

BSc Hons Business Administration & Transport, Diploma in Logistics

Previous Roles:

Head of Hospital Services, Healthcare UK

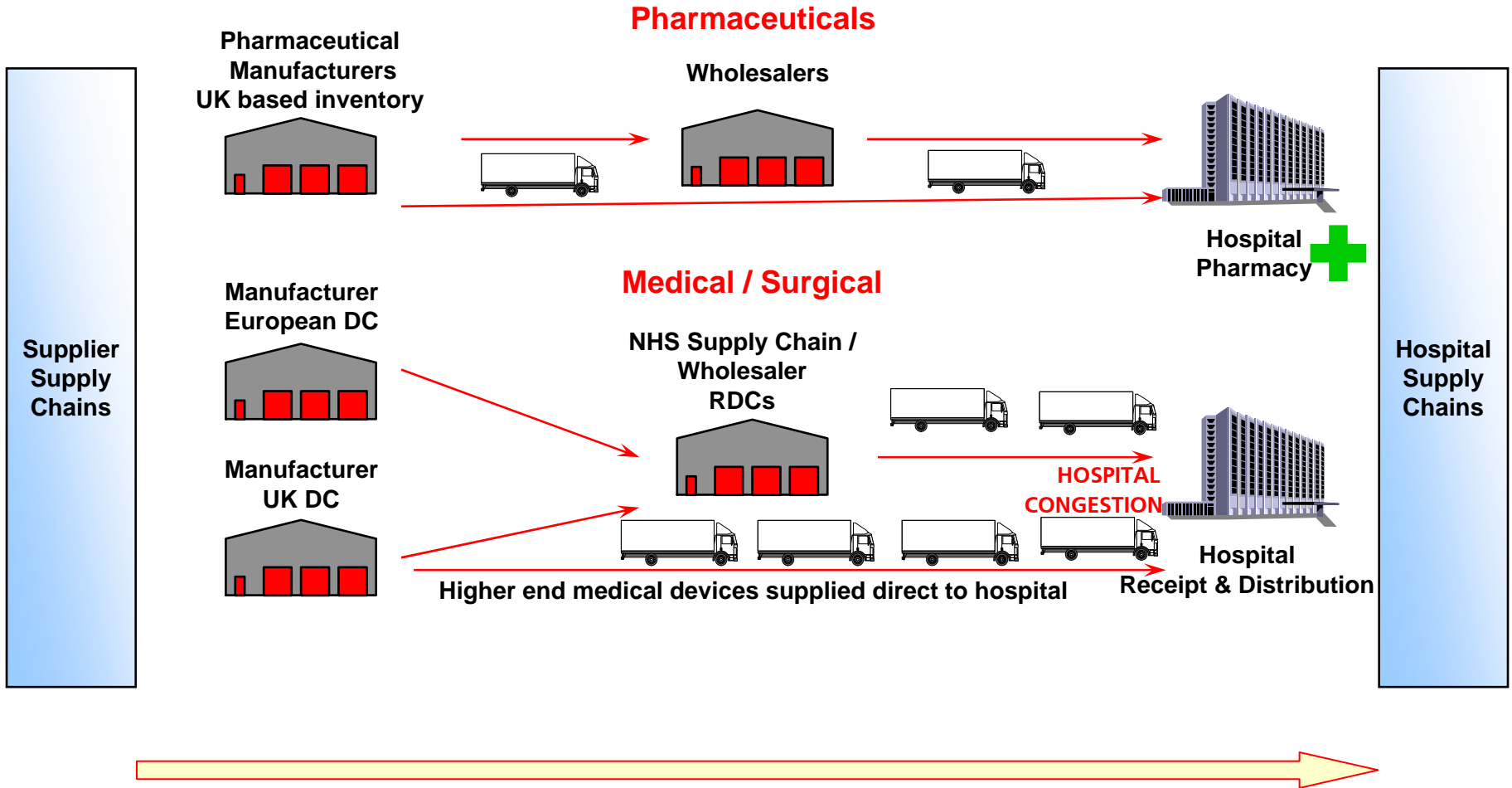
General Manager, Hospital Logistics Centre

Strategic Development Manager, Pharmaceuticals & Medical Devices

Hobbies:

Family (3 Children), cricket, tennis, running

UK Hospital Supply Chain



Off Site Consolidation (1) – Issue & Process

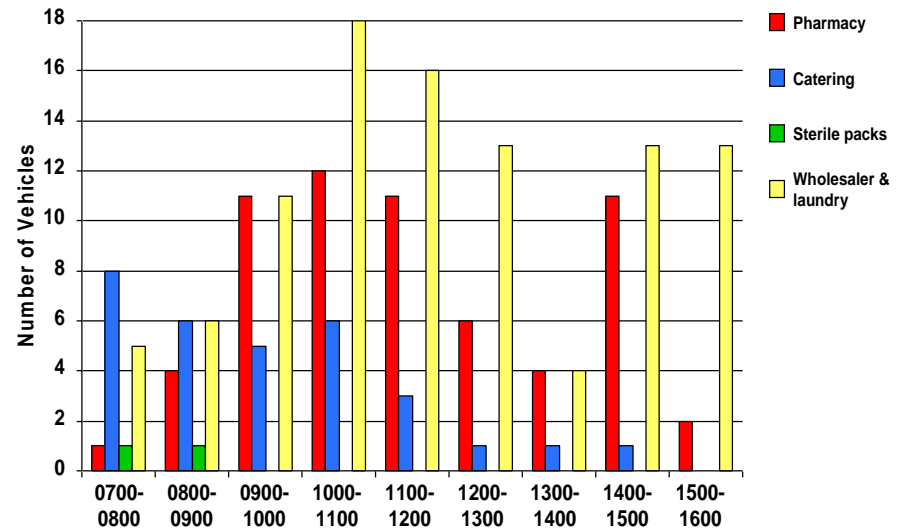
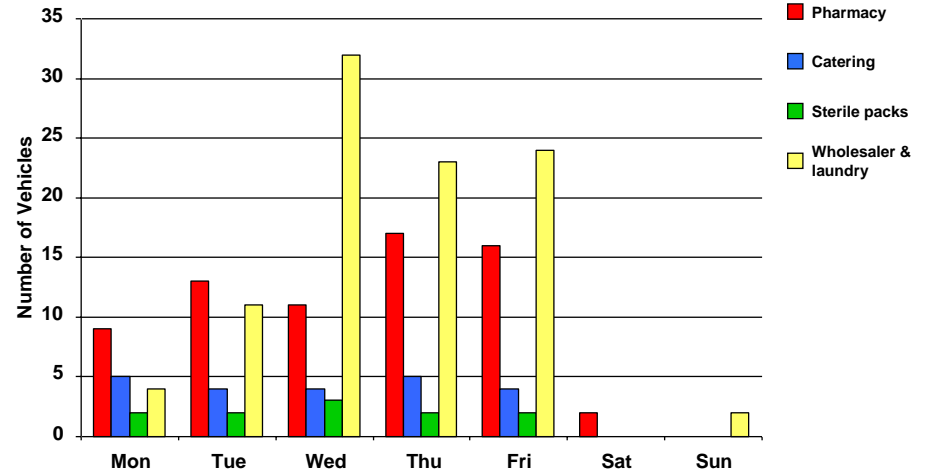
Inbound Deliveries

Issue

- Urban centre congestion charging
- Low vehicle productivity
- Hospital infrastructure constraints
- Hospital storage space limited

Process

- Data Gathering
- Data Analysis
- Solution Development



Off Site Consolidation (2) – Delivery & Results

Solution Design & Delivery

- DHL Owned & Managed Facility
- DHL Facility Design - Multi-user concept
- Efficiency and Economies of Scale
- 3,000 sq metres (20% for consolidation)
- Storage, cross-docking and transhipping capabilities
- Added value services
- Good Distribution Practice (GDP)
- 24hour security
- Linking with other services / contingency planning
- Sequenced Deliveries



Results

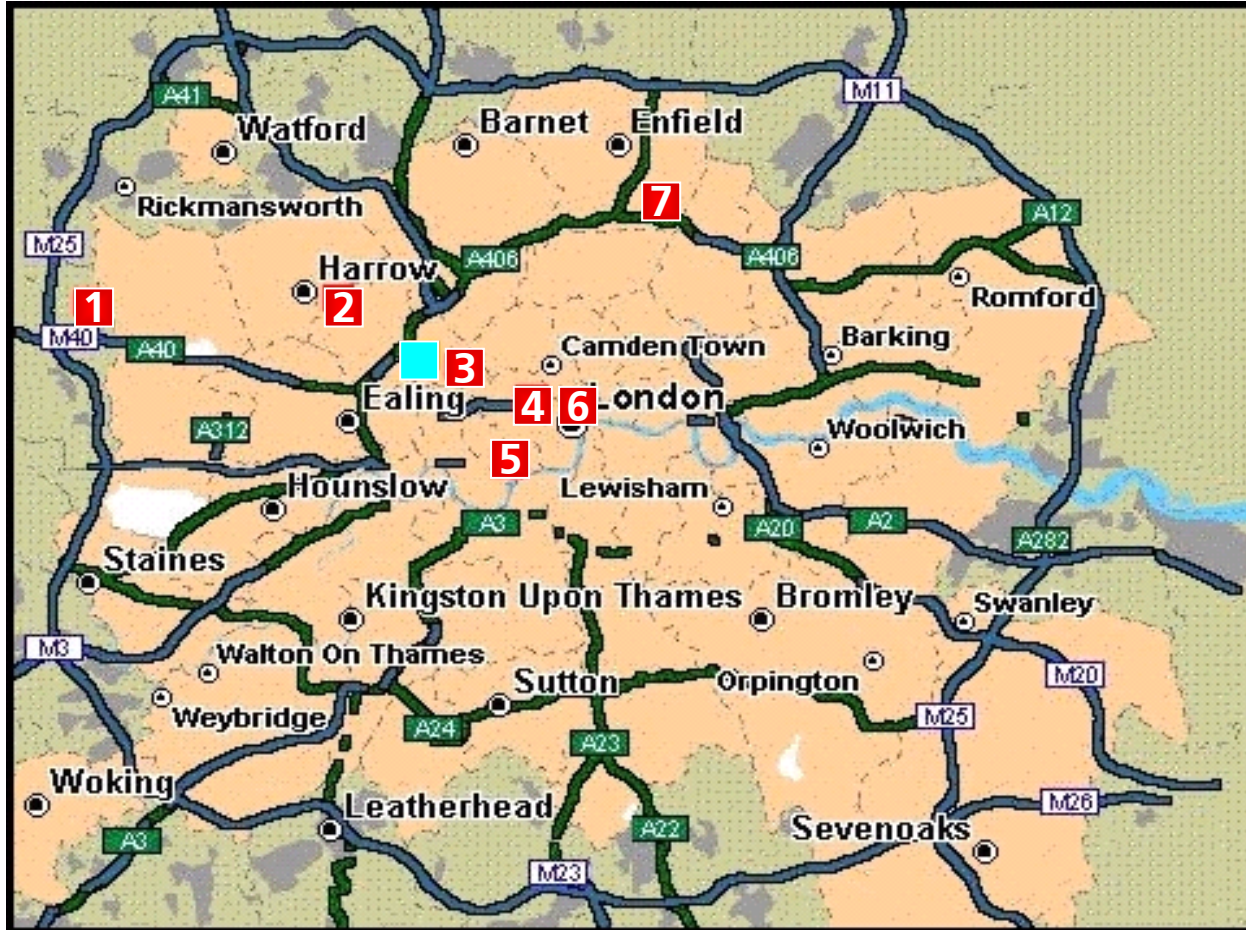
Through more efficient stock management, DHL Exel is able to release space that was previously used to hold stock and goods to-be put away; this freed-up space could then be used for other purposes such as extra hospital beds.

Through better stock management, deliveries can be managed and consolidated in order to de-congest traffic caused by delivery companies, allowing easier access to and from a hospital.

Release space
from inbound
logistics to
other activities

Significant
reduction in site
delivery traffic
and congestion






Hospital Logistics Centre – Park Royal, London



Key

-  DHL Hospital Logistics Centre
-  1 Harefield Hospital
-  2 Northwick Park Hospital
-  3 Central Middlesex Hospital
-  4 St Mary's Hospital
-  5 Royal Brompton Hospital
-  6 Great Ormond Street Hospital
-  7 North Middlesex Hospital

Metrics

-  400 departments
-  30000 bar codes
-  500 parcels per week
-  60000 order lines per week
-  80 staff over 8 sites



Obrigado

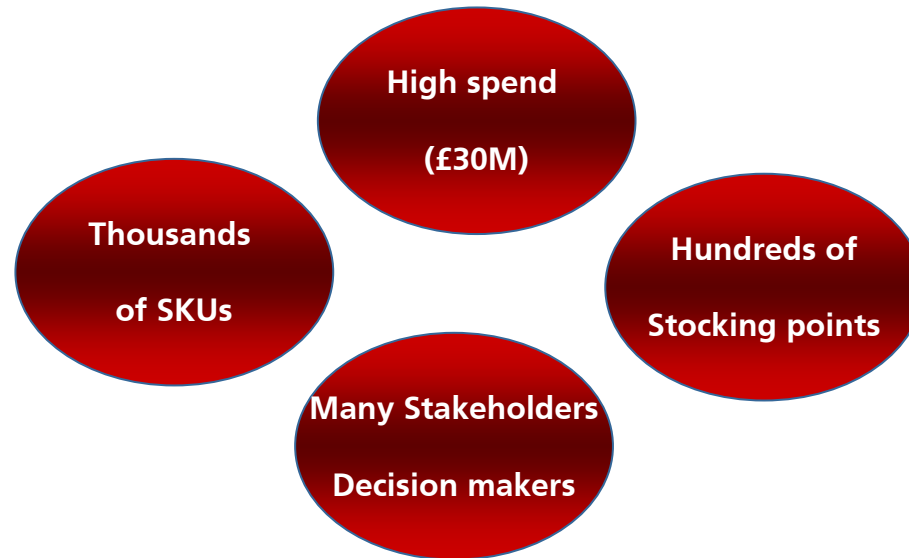


Focus on 'Materials Management'

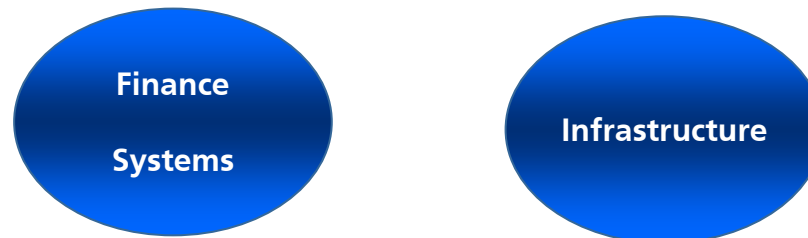
David James

Hospital Characteristics & Constraints

■ Characteristics



■ Constraints



Materials Management (1) – Issue

Materials Management

Issue

- Traditionally most hospitals do not track inventory at the ward thus they do not know what they own, where it is and when it expires
- Storage at the ward levels indicates poor storage conditions & lack of segregation

This leads to:

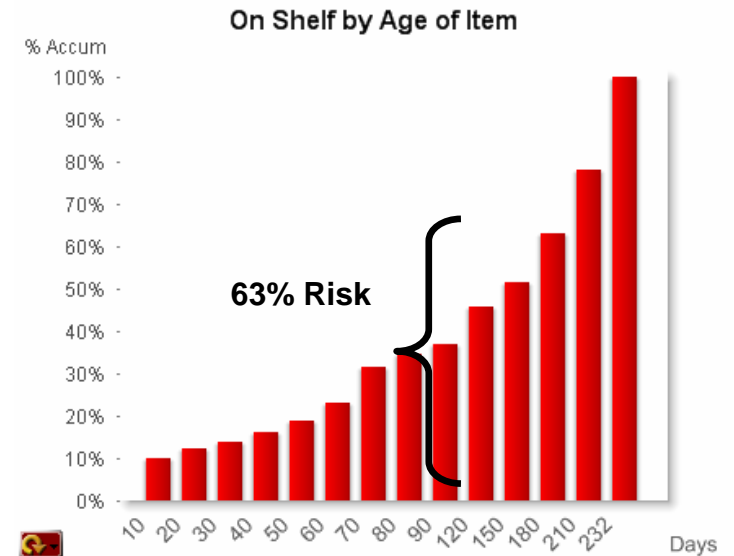
- Overstocking of up to 30% of their inventory
- Expired stock and 'never used' stock
- Damaged Stock
- Higher Prices (covering consignment stock)
- Urgent replenishment deliveries
- Nursing time lost (estimated 0.2fte / ward)



Materials Management (2) – Data Capture

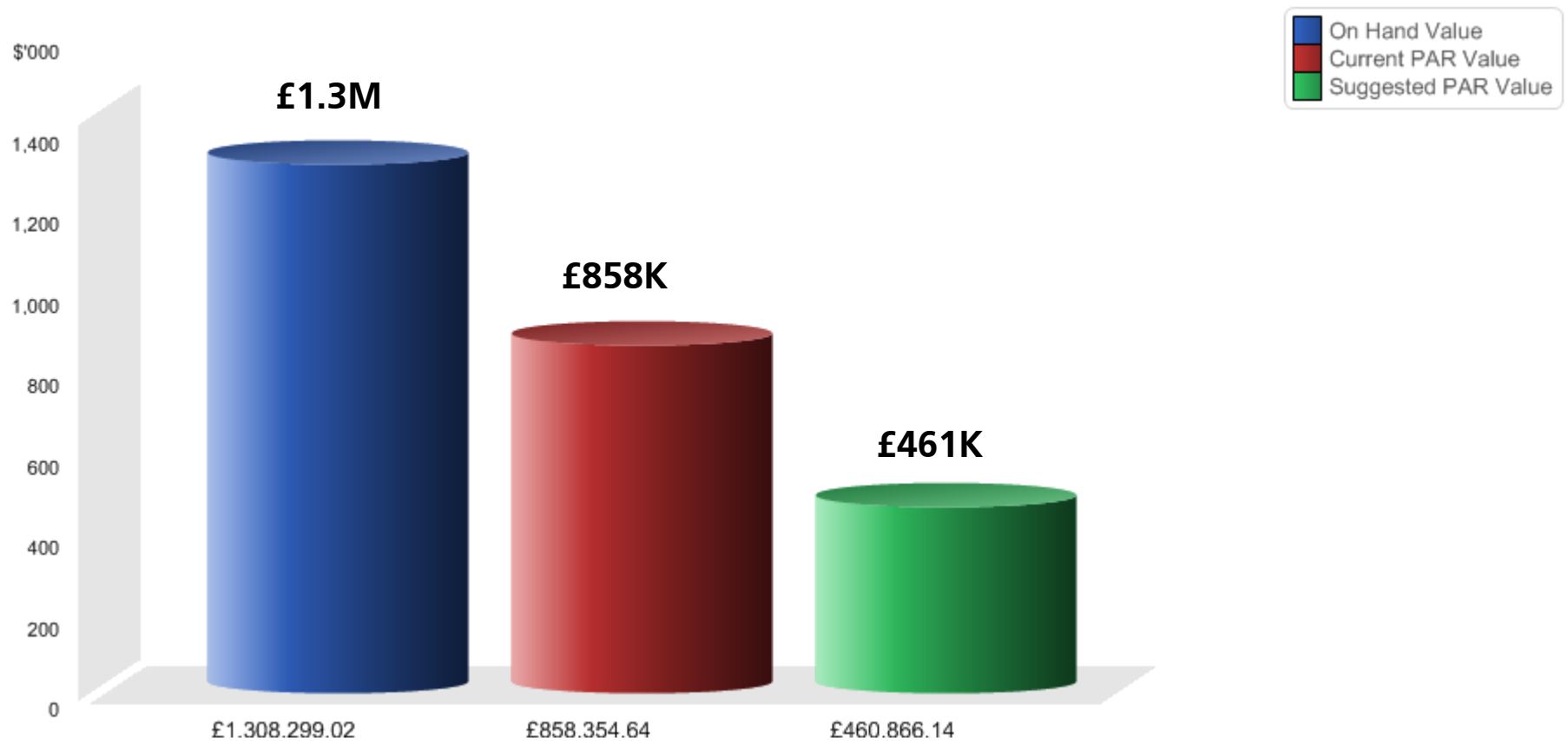
Materials Management – Data Capture

- Stock not used in 90 days has an 85% chance of never being used & written off
- Profile
 - 37% of stock on-hand is less than 90 days old
 - 63% of the stock is at risk of not being used
- Items close to Expiry Date are at Risk



Materials Management (6) – Setting PAR (Target Stock) Levels

- Current & Target Stock Levels
- Data to Item Level
- Dynamic Information – Seasonal Variation



Materials Management (3) – Solution



Daily Usage at store or Operating Theatres

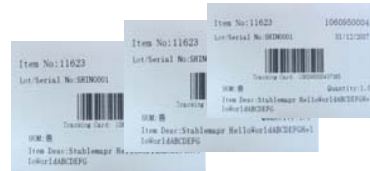
Nurse uses products during the shift.

Card Collection Bin

Nurse drops the cards in a collection bin for “RFID Read” or “barcode Scan”

Card Scan

DHL Logistics collect the cards and scan cards, RE-ORDER



Additional Data

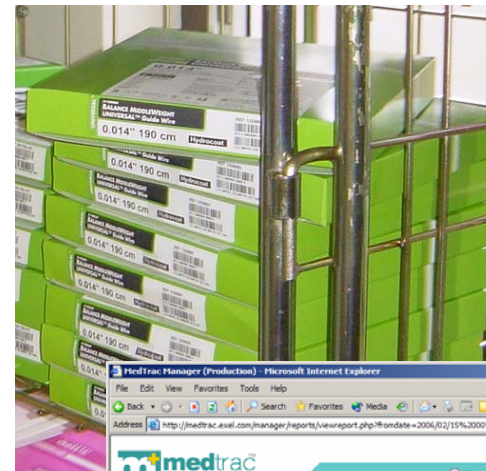
Patient, Procedure, Doctor, Department



Materials Management (4) – DHL IT Capability

■ The Inventory Management Tool provides live data by location

- Data Capture: from manufacturer's bar code
- Location: where each product is at any given time
- Tracking: how each product arrived at location
- Duration: how long product has been in location
- Expiration: how long until each product expires
- Ownership: who owns the product
- Usage: when the product was used
- Utilisation: current product usage levels



Report Manager > View Reports

RBH Inventory Valuation - Department/Cost Centre
Report ID: 321

Report date/time: 15/02/2006 13:03:23
User Name/ID: Karl Anthony/Karl

Account Name	Cost Centre	On-Hand Qty	On-Hand Value (£)	No of Lines (PAR)	Value of Lines (PAR) (£)	No of Lines (No PAR)	Value of Lines (No PAR) (£)	No of Lines (Total)
HFD-Cardiology	1331	35,670	684,430.84	362	306,784.25	952	377,666.58	1314
HFD-ITU	1208	1,282	25,687.91	63	21,125.29	107	4,562.62	170
RBH-AICU	2208	4,533	34,373.80	114	22,068.68	146	12,305.11	260
RBH-Catheter Labs	2331	9,383	1,418,391.06	103	70,526.00	2,608	1,546,146.40	2711
RBH-Catheter Labs	2332	999	198,281.34					
RBH-PICURose	2261	529	12,439.54	265	57,966.35	113	586.14	378
RBH-PICURose	2268	3,550	46,112.95					
Total		55,946	2,419,717.44	907	478,450.58	3,926	1,941,266.85	4833

End of Report

Materials Management (5) – Information on Product Risk

**Total Risk:
Consolidation of
Risk Profile**

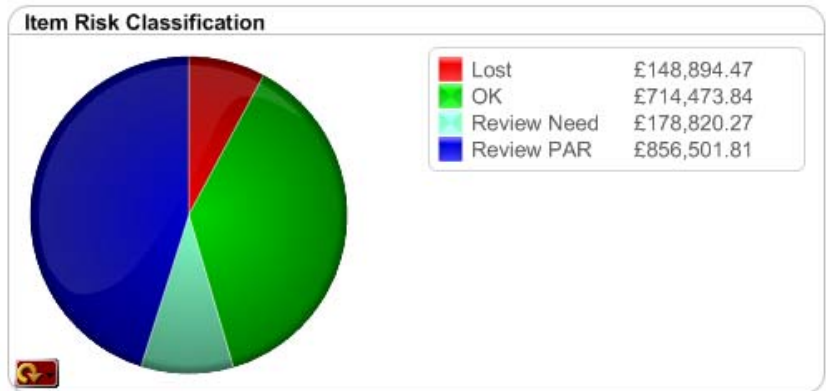
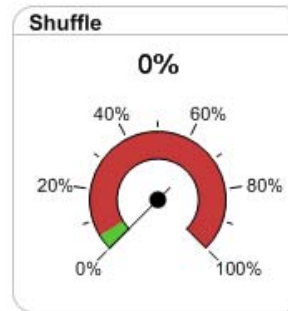
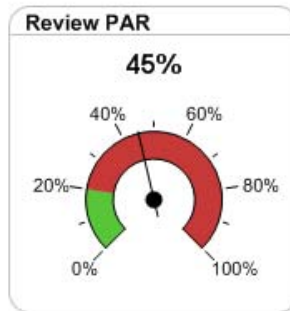
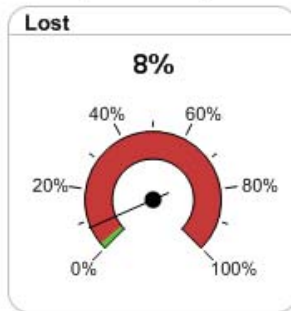
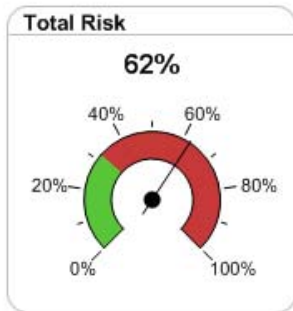
**Lost: Find these
items they should
have been used**

**Review PAR:
Items are
overstocked**

**Shuffle: Move
these items to
where they can
be used**

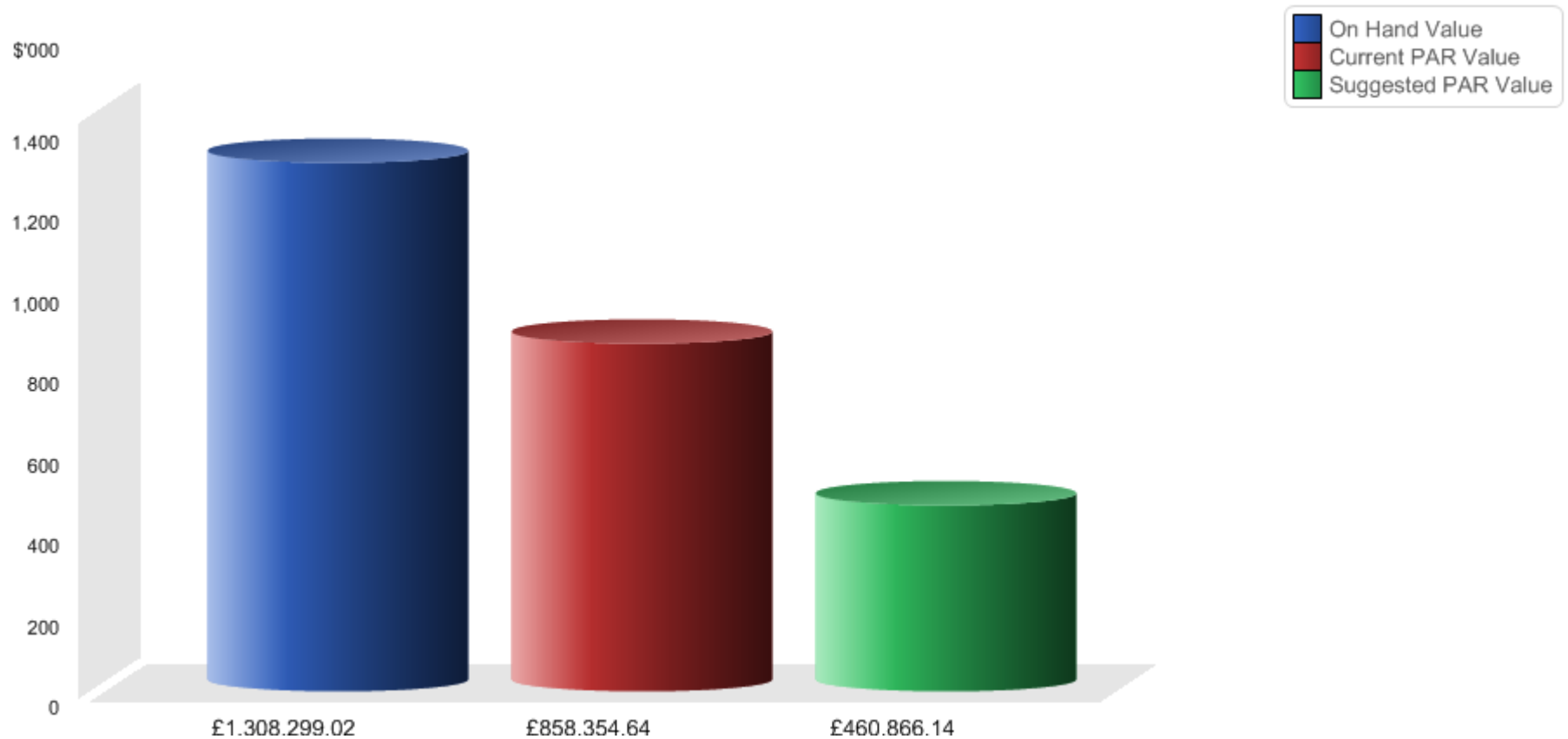
**Review Need:
Items are not
used so why do
we have them**

Risk Assessment Method: Risk Days of 90 days



Materials Management (6) – Setting PAR (Target Stock) Levels

- Current & Target Stock Levels
- Data to Item Level
- Dynamic Information – Seasonal Variation



Results & Benefits

■ Outsourcing

- An external relationship can be used as a catalyst for change
- A commercial relationship delivers a customer service oriented logistics service
- Logistics competencies from 'Logistics Service Provider' (LSP) leads to Operational Excellence
- Focus on core competencies – LSP Operations & Logistics – Clinicians – Patient focus

■ Inventory Results

- 15% reduction achieved in first 6 weeks
- Directorate reported corresponding drop in expenditure
- 50% reduction achievable (and will free up £1m cash)
- Stockturn reduced from 16 weeks to less than 8 weeks



Obrigado, Any Questions Please



Focus on 'On-site Service'

David Mason

Introduction – David Mason

Professional Background:

Joined DHL Exel in 2002 having previously worked for Exel Logistics for a further 3 years, 20 years experience within the transport and healthcare industry, covering a wide range of product and people movements. Previous experience within Business Development and a sales oriented environment.

Qualifications:

CPC, ADS, PSS, PDP, Fleet management degree

Current Role:

Business Manager – EMEA Healthcare Sector

Previous Roles:

Distribution Manager, Asda Distribution

Transport Manager, Exel Safeway / Exel Tradeteam

Contracts Manager, Worldfleet

Managing Director, Business Direct

Contracts Manager PTS London, DHL Exel HLC

Hobbies:

Walking, Cars



On-Site Services (1)

- Typically expansion of services from materials management with DHL staff on site
 - On Site Management
 - General Transport
 - GP Transport Services
 - Transport Consultancy Services
 - Non Emergency Patient Transport



On-Site Services (1)

- Typically expansion of services from materials management with DHL staff on site
 - Internal department storage area design & management
 - Operating room & ward inventory visibility enabling product rationalisation & stock reduction
 - On-site management of internal distribution including x-rays, post, laboratory specimens & pharmaceuticals
 - Integrated medical & surgical, fluid, CSSD, linen & parcel services
 - Non emergency patient transport



Hospital Transport

Services

Requirements:

- Customers want to significantly reduce patient transport cost, improve patient care, delivery and take home times by synergising its patient transport service contracts.

Response

- By understanding the needs of our customers' pressures DESC is able to facilitate a fully integrated implementation program. DESC actively encouraged communication channels between hospitals that adopt the service to find synergies and utilise the fleet. Historical data analysis and full project management is provided. DESC has significantly lowered fixed patient transport cost by fully utilising its fleet of vehicles.

Value delivered to customer

Faster patient throughput and cost management whilst meeting quality targets for patient transportation

An experienced and caring team of permanent ambulance drivers creates excellent patient care

Synergies with existing NHS Trusts stretches and fully utilises the fleet

Proven and well established programs delivering strong disciplines driving down 'aborts', taxi usage and wasted journeys

A flexible, modular booking system facilitates a smooth implementation process

Reduced uncertainty through face to face support to the trusts, meeting with patient forums and hospital staff on a regular basis

Facts and figures

- St Mary's NHS Trust..10 years
- Royal Free NHS Trust..3 years
- Royal London & Bart's Hospital Trusts..3 years
- Northwest London Hospital Trust..5 years
- Royal Marsden NHS Foundation Trust.. November 1st 2006.. year
- NHS Rehab Centre..2 months
- Nuffield NHS Oxford..6 months

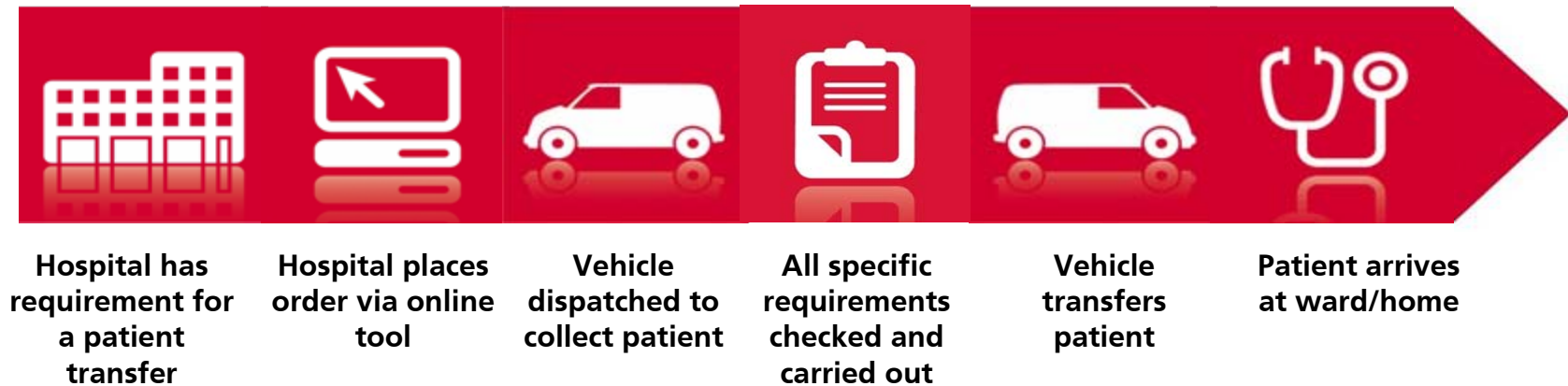
Contacts & Subject Experts

- David Mason +44 7900 137 714

Hospital Transport – Overview of Services

DHL Exel Supply Chain operates a non-emergency patient transport service, providing a range of non-emergency vehicles, experienced and specially trained ambulance drivers and hospital on-site cover, underpinned by a bespoke ambulance based system.

- Non-Emergency Patient Transport for outpatients, admissions, discharges, on-the-day movements
- Specialised High Dependency Patient Transport
- Renal Patient Transport
- General Practice Transport Services (250 GP Transport Movements per day)
- Hospital product movements (Specimens, blood, x-rays, internal mail, documents and packages etc)
- Hospital staff movements
- Specials Movements (Mental Health / Larger Patient Movements and special care etc...)
- Consultancy Services

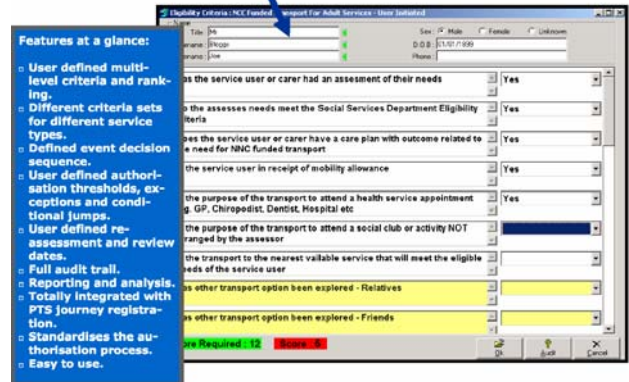
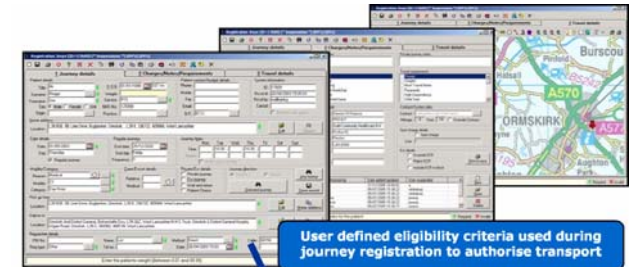


Transport- Systems (IT)

■ Systems

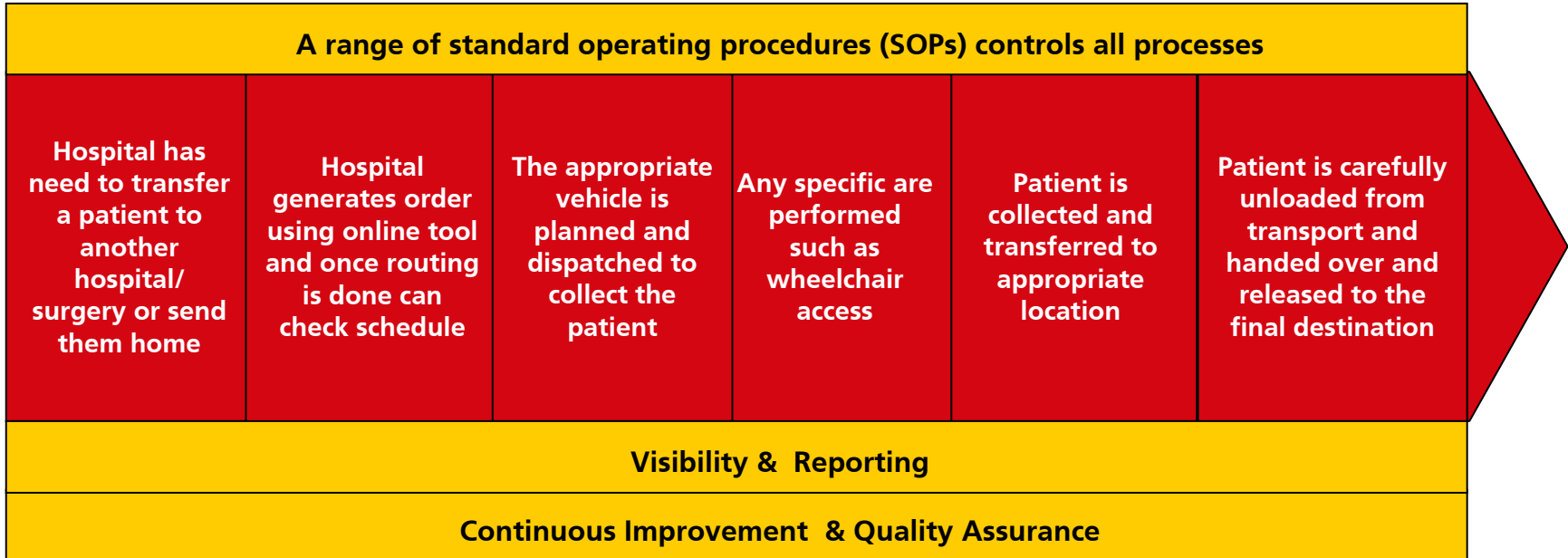
Bespoke ambulance based system delivers several functions:

- Bookings with a high level of detail and historical data (On-Line and fax booking)
- Detailed Management Information Reporting (regular, bespoke and generalised reports)
- In cab communications, satellite navigation and track and trace
- On Line booking
- Built in Eligibility Criteria
- Live transactional visualisation
- Information direct to users



Patient Transport–Processes

A professional project management team is responsible for the entire process through the implementation.



Patient Transport – Facilities

- DHL Exel Supply Chain currently provides non-emergency patient transport and hospital transport services with a centralised booking and planning centre located at Park Royal in North West London.
- The fleet consists of ambulance cars, ambulance wheelchair accessible vehicles and ambulance stretcher vehicles.



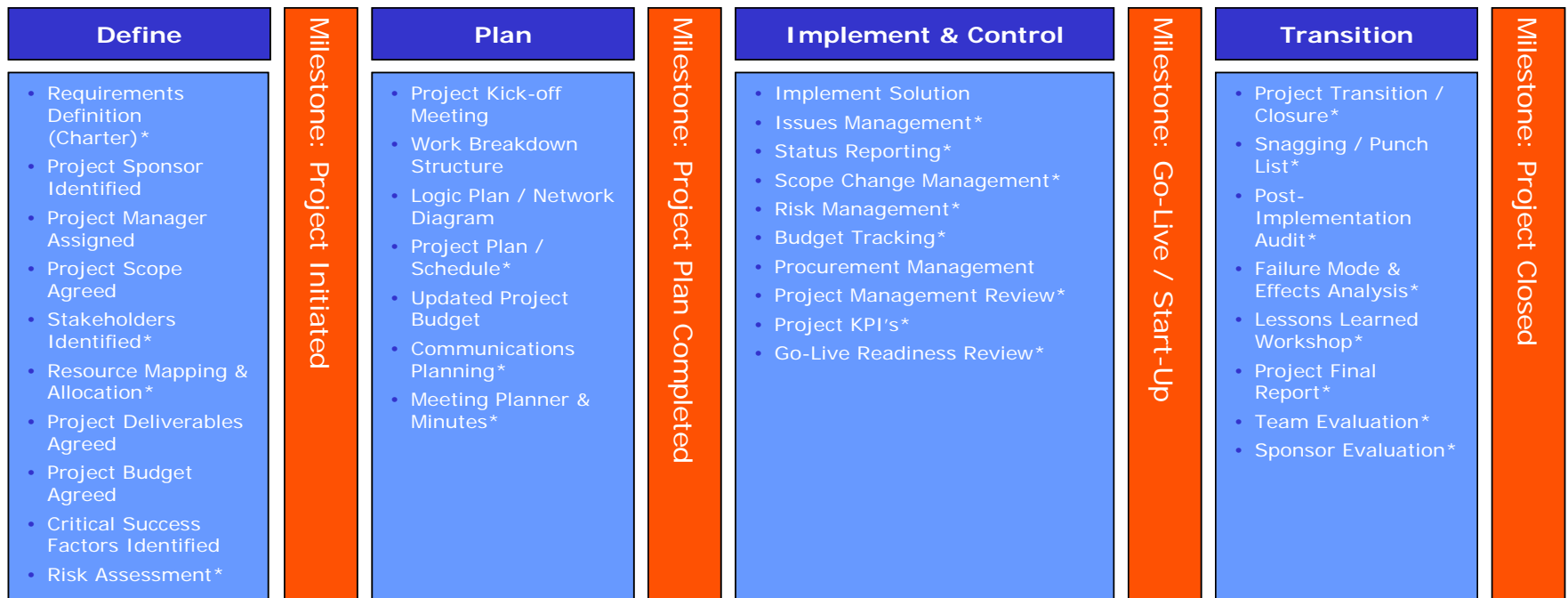
Patient Transport – Quality and Regulatory

- Compliance with ISO 9001 standards
- Training to Institute of Health Care Development (IHCD) Standards
- Dedicated Safety, Health & Environment (SHE) Team ensuring full legal compliance across relevant Health & Safety Regulations
- Winners of Royal Society for the Prevention of Accidents (RoSPA) Gold Award 2006 & 2007 for Industry Leading Health & Safety Standards
- Audited fleet maintenance program
- Detailed training and re-assessment programs audited and maintained via independent and in-house assessors
- The safety and security of employees and patients is enhanced by continuous driver training, driver contract rotation culminating into a high standard of excellent patient care



Patient Transport– Implementation

- DHL understands that implementation starts with a clear understanding of customer requirements and ends in delivery of the operational solution.
- Mobilisation of experienced teams and working closely with the customer ensures all stakeholder needs are represented. Formalised processes for the information capture, process modelling and programme management ensure successful delivery of the continued excellence in operational performance.
- Continued onsite hospital support ensures that detailed hospital requirements are met





Obrigado, Any Questions Please