



CASE STUDY SNAPSHOT

How Wellstar Health System Improved Supply Chain Productivity by 220%

Trends



Hospital labor expenses in 2023¹



Hospital medical supply expense in 2023¹



Potential savings from successful health system digital and analytics investments²

About Wellstar Health System

Wellstar Health System is one of the largest and most integrated healthcare systems in Georgia with 10 hospitals, 10 emergency departments, 329+ medical office locations, 11 cancer centers, 90+ rehabilitation centers, three hospice facilities, two senior living centers, 35 imaging centers, 18 urgent care locations and five health parks.

¹Hospitals face financial hurdles as costs rise, reimbursements lag, Chief Healthcare Executive, May 3, 2024, <https://www.chiefhealthcareexecutive.com/view/hospitals-face-financial-hurdles-as-costs-rise-reimbursements-lag>
²Digital transformation: Health systems' investment priorities, McKinsey & Company, June 7, 2024, <https://www.mckinsey.com/industries/healthcare/our-insights/digital-transformation-health-systems-investment-priorities>

Challenges

Wellstar's consolidated service center (CSC) has been experiencing ever-increasing volumes as the health system expands its self-distribution for current care sites and newly acquired or built facilities.

At the time, manual processes throughout the supply chain, from procurement to distribution, could not support this rapid growth. Human touchpoints also resulted in process inefficiencies, picking/packing inaccuracies, rework, supply waste and added costs.



"It was immediately clear that there was a need for more automation, so we began envisioning how we could move the needle on it substantially. Automation is where healthcare is trending and while we don't necessarily need to get in front of the trend, we must keep pace."

Adam Flood
Executive Director, Supply Chain
Wellstar Health System

Obstacles to overcome



Lack of visibility

Gaps in the supply network challenged the ability to maintain adequate stock levels and perform accurate forecasting and demand planning.



Limited use of existing resources

Underutilization of existing technology solutions and physical space constrained optimization opportunities.



Labor-intensive workflows

At a time when labor is scarce and expensive, manual, time-consuming tasks required substantial staff resources.



"I came in knowing there were some weaker links in the supply chain, acknowledging that some of those weren't going to survive the transition, but that change was paramount to re-establishing what good looks like."



Adam Flood
Executive Director, Supply Chain
Wellstar Health System



Solutions

Implement enabling technology

Wellstar implemented Tecsys' Elite™ Healthcare Supply Chain Management (SCM) solution, which integrates seamlessly with its new Workday enterprise resource planning (ERP) system. Elite™ SCM provides end-to-end visibility of all physical inventory assets across Wellstar's supply chain network and real-time analytics to inform forecasting and demand planning.

Maximize solution and space assets

Flood reconfigured the health system's Elite™ Warehouse Management Software (WMS) and trained staff on how to maximize usage of its capabilities, such as inventory classification for daily cycle counts. He also reorganized supplies in the warehouse to boost staff productivity (e.g., staff members don't travel as far to fill orders).

Automate workflows

Existing and planned implementation of intelligent automation – from automatic identification and data capture (AIDC) to autonomous robots – revolutionized throughput, eliminated costs and waste, and enhanced customer service with requests filled accurately and on time. Digital data capture enables Flood and his team to surface actionable insights and track metrics against their key performance indicators (KPIs).



“There are also efficiencies and cost savings gained by our customers because if we fill more requests more accurately and on time, there is less work on their part to resolve issues.”

Adam Flood

*Executive Director, Supply Chain
Wellstar Health System*

Outcomes

Wellstar's comprehensive supply chain transformation led by Flood has improved the supply chain team's efficiency and accuracy, which in turn has enhanced their quality of service to their clinical customers, reduced costs and waste, and supported expansion of its CSC operations.

220% ↑

increase in picking and packing productivity

35% ↓

reduction in time spent grouping orders

2,100 ↑

line count per day increase

30% ↓

decrease in cost per pick, from \$2.75 to below \$2.00

99%

fill rate for stock supplies



"With continued staffing shortages in healthcare, we must be more adaptable and creative in the way we fill orders and ship supplies. Automation helps us bridge that labor gap."

Adam Flood

Executive Director, Supply Chain

Wellstar Health System



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