

MADONNA HOSPITAL CASE STUDY



Madonna Rehabilitation Hospital provides medical and physical rehabilitation services throughout the nation. The implementation of the IOS application has generated significant efficiencies and savings for Madonna in multiple areas of their operations.



Inventory Optimization Solutions, IOS, is a web-based supply chain management application for the healthcare market.

DOCUMENTED SUCCESS

Peter Smith, Madonna Materials Manager, needed a technology solution to support his personal and organization objectives. IOS was able to deliver the solution that has allowed him to actually exceed these goals. The major accomplishments include:

- **Increased orders submitted via EDI** from 1 vendor to 13 vendors. Madonna was calling in 85% of their orders and suffering through the normal “what is your facility name, account number, your name, phone number, etc.” and now all stock orders are placed electronically without having to pick-up the phone.
- **Utilizing wireless handheld devices for efficiency.** Madonna has 16 inventory locations that have to be replenished every day. With their facility taking up 6 city blocks it can take 15 minutes to walk from one end to the other and back, so efficiency of movement is important. One inventory technician will take a wireless handheld scanner to perform par counts and submit a replenishment order. The other inventory technician is in the store-room printing out these pick tickets to fill the wirelessly submitted replenishment orders. This streamlined process has saved 4-6 hours per day.
- **Reduced item master maintenance time** from 5 hours a week to 2 hours per week through the minimized key strokes for new item adds, ability to import changes from an Excel spreadsheet rather than manual updates one product at a time, and the price update feature from the EDI confirmation directly to the item master.
- **Physical inventory efficiency.** Madonna leverages the handheld scanners to perform regular physical inventories with a much higher degree of accuracy and taking just a fraction of the time.
- **No website order entry.** IOS is the single order portal for all stock items and this has eliminated the inefficiencies with double keying associated with online orders.
- **Accurate inventory.** IOS has enabled accurate perpetual inventory. This has made analysis and data based decision making a reality. The CFO smiles much more often when Smith provides him with this analysis.

Madonna’s Objectives:

- Increase electronic transactions with all major vendors
- Improve inventory control and decrease inventory levels
- Improve product formulary adherence
- Provide single portal for all vendor orders
- Stop killing so many trees

Account Summary:

- 295 bed hospital
- Centralized purchasing
- 16 inventory locations

CLIENT QUOTES

Madonna had the following to say about the IOS solution:

“I couldn’t imagine running my business without the IOS application.”

“The IOS product is a no brainer decision for smaller hospitals that need the efficiency of a supply chain solution but cannot afford to pay large upfront software fees.”

Peter Smith, Materials Manager