

Physician Group Saves \$50,000 The First Month With Hybrent

PCI considered hiring a full-time employee dedicated solely to supply chain activities. Hybrent solved their problem and saved them \$50,000 the first month.

The Situation

Physicians' Clinic of Iowa (PCI) is one of the largest private, multi-specialty physician groups in Iowa, with locations in Cedar Rapids and Waterloo. With more than 80 physicians, surgeons, and healthcare providers to support, PCI spends millions of dollars each month on the supplies they need. Like most organizations, PCI wanted to ensure their money was being spent in the most responsible and efficient way possible.

Zach Grimm, Pavilion Services Director, oversees supply chain management as part of his duties at PCI. Zach is adept at managing his roles and prioritizing his responsibilities, but the amount of time spent managing supplies was completely out of balance.

"Supply chain management is a critical function at PCI, but I was spending 75% of my time on the supply chain alone. That left



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only 25% to spend on operational duties,” notes Zach. “We were considering bringing on a full-time employee dedicated solely to supply chain activities. But before we took that step and allocated resources toward that additional line item in our budget, we began searching for a solution. We knew there had to be a better way.”

Additionally, Zach felt the biggest problem was the lack of accurate and consistent reporting that could provide real, actionable insight. “With supply chain management, you spend a significant amount of time taking raw data and turning it into usable data – the data we need

to make important purchasing decisions, decisions about how best to allocate funds,” said Zach. “Our old system was manual, time consuming, and entirely inefficient.”

For example, when Zach needed to pull together a report, he had to dig through filing cabinets that physically stored every PCI invoice for the past year in order to gather spend data. With more than 100 suppliers, Zach had to sift through thousands of invoices to get the information he needed.

“Having usable data to work with is extremely valuable in terms of managing costs. But the process to get there was



laborious, and generating a single analysis could take me three days,” he noted. Zach knew that if he wanted to replace these paper filing cabinets with a digital database, he would have to re-imagine the entire supply chain process. He conducted a top-to-bottom review of their current workflow and the results came as no surprise.

He found that the lack of information and visibility also frustrated the PCI employees who were responsible for placing orders, interacting with vendors, and managing inventories for the various departments within PCI. Each vendor had its own requirements for how an order should be placed, how they would communicate availability, and how pricing updates and discrepancies were handled. “Our organization spends north of \$20 million annually on the supplies we need. That process requires significant involvement from many of my colleagues at

PCI. As it turns out, the process was flawed for all of us.”

During his review, Zach uncovered that these cumbersome transactions led to excessive ordering. Staff would purchase more supplies than they actually needed to extend the gap between their current order and their next order.

This happened because they lacked the confidence the orders would be correctly fulfilled.

After working the problem backwards, Grimm concluded that improving the workflow for supply ordering and receiving would lead to the data mining engine he was after. To do this, he envisioned automating the entire process for how supplies were ordered, received, and invoiced. To make his vision a reality, Zach chose to partner with Hybrent because of their healthcare-specific supply chain solution.

The onboarding process was easier and faster than [Zach] and his team anticipated and he add, “the efficiencies gained and money saved have exceeded our expectations. From reporting to ordering, and everything in between, this partnership is a win-win.”

The Solution

Hybrent solution was implemented in under 8 weeks and put the entire supply chain online.

Each purchase order could now be electronically requested, approved, received, and invoiced. Vendor pricing could be compared right in the order and one click of the button sent orders to each of their vendors for fulfillment. Every time an order is placed, users are alerted immediately if the order has been accepted, or if the order was rejected or back-ordered. This has given PCI users the confidence to reduce inventories closer to real time fulfillment.

“I can rely on the order being correct, rather than just crossing my fingers and hoping

something came through,” said Zaxh. “We’ve corrected course on over-ordering, which was a real problem before Hybrent.”

The Results

According to Grimm, the results were immediate.

Grimm was able to reduce on-hand inventory of a single product category by more than \$50,000 in the first month Hybrent was live. “Those aren’t just boxes of supplies on our shelves, they each have a cost. Every dollar I can save our organization in supply costs is another dollar we can spend on patient care.”

Hybrent also reversed the time Zach allocated towards his duties – allowing him to now spend 75% of his time overseeing



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Hybrent updated and automated the entire process of supply chain management for PCI. End users now have a consistent and streamlined operation for requesting and receiving the needed supplies, and administrators have unlocked the data necessary to deliver personalized insights. The Hybrent platform has delivered savings in both time and money, while eliminating the need to bring on additional resources to support supply chain efforts.

“One of our mottos at PCI is, ‘Together in Health’. And in Hybrent, we’ve found a partner who shares that same philosophy,” says Zach. The onboarding process was easier and faster than he and his team anticipated and he add, “the efficiencies gained and money saved have exceeded our expectations. From reporting to ordering, and everything in between, this partnership is a win-win.”



See Hybrent in action! Contact your Medline rep to schedule a demo.