

# Supply Chain Management System Project Strategy



# Agenda

- Introduction & Purpose
- Vision
- Goals
- Success Factors
- Objectives

# Introduction & Purpose

- Over the past several months members of the Advisory committee, project team and representatives of the functional areas have met to develop a vision, goals, critical success factors and objectives to serve as a guide for the business process redesign and implementation of the PeopleSoft Supply Chain Management System (SCM).
- The vision describes the desired state of the system and process functionality at a high level, the goals represent the broad objectives to realize the vision, the critical success factors are the accomplishments needed to reach our goals, and the objectives represent the tasks that need to be completed.

# Vision

Jefferson is dedicated to be among the leading academic medical centers in all aspects of patient care, academic excellence, and research innovation.

In support of this commitment, the supply chain management (SCM) practice at Jefferson will enable the integration of people, processes, data, and technology to optimize the management of finance, inventory, contracts, and purchasing. SCM will provide value and competitive advantage through efficiencies, the elimination of redundancies, and the establishment of decision metrics to meet and align the interests of our physicians, clinicians, staff, managers, executives, and other organizational leaders.

By virtue of this alignment, the management and stewardship of Jefferson resources will be enhanced to provide straightforward and timely access to accurate financial and operational information.

# Goals

- Reduce non-value added processes, eliminate redundancies and inefficiencies.
- Provide supply cost detail that will allow analysis of supply expenditures at multiple levels of the organization.
- Implement a reliable and seamless integration of the SCM system with other financial, clinical, and supporting systems.
- Obtain top performance in supply cost and supply chain labor expense key performance indicators.

# Reduce and/or eliminate organizational process redundancies and inefficiencies.

- **Critical Success Factors**
  - A Standardized workflow process.
  - A Committed adoption of best practices.
  - Centralized processing across all business units and entities.
  - Minimize customized procurement and other non-system processes.
  - A Single Point of entry for all procurement transactions.
  - Seamless requisition and approval of transactions.
  - Elimination of Redundant Data and Processes.

# Reduce and/or eliminate organizational process redundancies and inefficiencies.

- **Objectives**

- Create a single, accurate and comprehensive ITEM MASTER, to be the acknowledged “Source of Truth”
- Facilitate paperless processing utilizing document imaging technology
- Purchasing controls and processes for managing preference and non-contracted items
- Timely process for evaluating products and contracts.
- Development of a simplified, clearly-defined approval process.

# Reduce and/or eliminate organizational process redundancies and inefficiencies.

- **Objectives – continued**

- Reduce Number of Vendors
  - Eliminate non-traditional Vendor use.
  - Enable standardization of products.
- Create a Web-based strategic sourcing process.
- Consolidate supply expenditure data across the organization.
- Reduce transaction processing time from requisition processing through payment
- Eliminate the use of check requests for product and service purchases



# Provide supply cost detail that allows analysis of supply expenditures at multiple levels of the organization..

- **Critical Success Factors**

- Enable the analysis of service line, product, case and physician supply expenditure costs by providing data to other software systems.
- Ability to segment by supplier/manufacturer and item categories for negotiation & contracting.
- Ability to forecast supply expenditures for supply demand planning.
- Access to expenditure data for analysis, monitoring and benchmarking.
- Ability to identify cost-effective suppliers/partners in support of Value Analysis, Clinical Resource Management and JHS initiatives.

# Provide supply cost detail that allows analysis of supply expenditures at multiple levels of the organization.

- **Objectives**

- Reduce Asset Inventory and Expensed Inventory through forecasting and demand analysis. Optimize Inventory turnover in order to reduce Inventory and waste.
- Standardize and categorize the Item Master and Vendor files.
- Online “drill-down” capabilities.
- Integrate Item master with the Charge Description Master and other supply related systems.
- Create utilization and management reports.
- Require validation against Chart of Accounts for Division/Cost Center combination from point of Requisition onward.

# Implement a reliable and seamless integration of the SCM system with other financial, clinical, and supporting systems.

- **Critical Success Factors**

- Standardization of all Purchasing, Contracting, Asset Management, Treasury and Accounts Payable transactions and processes.
- Coordinated activities of suppliers, distribution and payment in a cost effective and customer service-oriented environment.
- Timely and accurate synchronization/update of data with internal clinical and supporting systems.
- Elimination of manual interventions and redundant processes.
- Implement electronic workflows for all transactions.

# Implement a reliable and seamless integration of the SCM system with other financial, clinical, and supporting systems.

- **Objectives**

- Real time data on procurement transactions throughout the transaction life cycle.
- Integration between Item Master and clinical systems.
- Timely Pricing, Usage and Replenishment transactions.
- Enable access to expenditure/source detail from multiple PS modules.
- External electronic transaction processing with vendors, banks and other business partners.
- Single sign-on to SCM applications.

# Obtain top performance in supply cost and supply chain expense key performance indicators.

- **Critical Success Factors**

- Ability to monitor contract compliance.
- A developed set of metrics to monitor the efficiency, effectiveness and value of the supply chain.
- Robust strategic sourcing process

# Obtain top performance in supply cost and supply chain expense key performance indicators.

- **Objectives**

- Optimize multiple Business Units, Vendor and Item Master files.
- Standardize all Purchasing, Contracting and Accounts Payable transactions.
- Implement contract compliance monitoring process.
- Develop Performance Measurement metrics.
- Implement a robust web based strategic sourcing process