Supply Chain Automation Reaching 90% Supports a Growing Health System

Highlights

University of California–San Francisco Health (UCSF) is the top-ranked health system in California and fifth best in the country, according to *U.S. News & World Report's* 2017-2018 Best Hospitals survey. Between its five affiliates, 78 million medical-surgical products are delivered annually to UCSF. Using GHX solutions, UCSF has automated and standardized 90% of its supply chain process across its vast health network to significantly improve efficiency and eliminate waste.

Situation

UCSF's Supply Chain Procurement Department mission is to support the highest standards of patient care, operational efficiency and expense management. The team is fundamental in keeping everything operating properly and ensuring proper product delivery.

> "Employee engagement is part of our philosophy and key to our success. We're not just stocking shelves and filling bins. Our team is engaged and empowered to make decisions based on clinician input."
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> **JAKE LIMBERT, DIRECTOR OF SUPPLY CHAIN OPERATIONS AT UCSF**

Before working with GHX, every purchase order (PO) at UCSF went through six to seven touchpoints, from placing the order and requisition, to invoicing. With more than 600 POs going out every day, the manual process was time consuming, expensive and often error prone. Limbert and his team performed the same tedious tasks from day to day and looked to automation to handle repetitive supply chain processes more efficiently and accurately.

Increased automation would also free staff to focus on new, strategic initiatives and better support UCSF's continued growth, such as the new 289-bed facility in Mission Bay, a hospital for women, children and cancer patients spanning three city blocks.

Overall, Limbert and his team looked to save time and reduce labor costs by automating procurement processes, while maintaining a high level of accuracy.

Solution

UCSF's engagement with GHX began in 2009 and since then they have expanded GHX solutions at a system level across the state. In 2011 GHX recognized UCSF with the first ever 'Industry Impact Award' for their initiative to onboard vendors. To this effort the GHX team worked with UCSF to develop "no-touch POs," distributing purchase orders to vendors in a highly-automated and accurate fashion without buyer intervention. To fully leverage the value of the automated process, UCSF used Registration Center to onboard its vendors and boost utilization. Registration Center is a self-service portal that provides real-time access to view and validate trading partner relationships. This allows UCSF to target new and under-utilized accounts to continuously build its network of connections and drive automation goals.

Limbert adds, "GHX put the power in our hands. We didn't have to rely on anyone to else to onboard vendors."

UCSF employs a suite of GHX solutions to standardize specific processes, improving internal speed and accuracy:

My Exchange for simplifying the electronic ordering process. Today UCSF transacts with **375 suppliers and manufacturers** through the Exchange.

OnDemand AP® for automated and paperless invoicing, enabling UCSF to increase electronic invoice volume by **161 percent** (from 2010 to 2018).

CCXpert for managing and maintaining vendor agreements through a web-based portal.

MetaTrade for reducing manual activity with suppliers that are not EDI capable, converts electronic POs into a fax or email format. UCSF works with more than 250 suppliers using this tool.

Bringing advanced levels of automation to its supply chain with the help of GHX paved the way for UCSF to enact additional supply chain improvements that touch a wide range of functional areas from delivery docks to clinicians. The supply chain staff have become ambassadors, a critical resource for patient care that takes ownership and pride in the work they do for clinicians.

Limbert adds, "We grew up with GHX, and we continue to grow together. As UCSF increases the level of automation and intelligence within our supply chain, GHX solutions give us the technical backbone to achieve our goals. They also support our growth, allowing us to seamlessly add new facilities, such as Mission Bay, without adding full-time employees or suppliers."

Results

UCSF has seen the following improvements:

- Boosted staff morale and productivity

- Efficiently onboarded hundreds of vendors to drive supply chain automation goals through a higher volume of electronic trading partners

- Increased electronic PO volume by **17 percent**

- Reduced exceptions to **1.25 percent**

- Increased electronic invoice volume by **161 percent**