Taking a strategic approach to health care operations and supply chain disruption

More than a mask—why you need to adjust your supply chain approach

01 Act as one, act for all: Emergencies can bring us together, but they can also bring fear. Fear can lead to overstocking and individual facilities or jurisdictions competing with each other for resources, exacerbating an already challenging situation.

02 Focus on the whole: It’s important to focus on the pressing needs of the moment, but the further we advance in our response, the broader our vision needs to be. As we address immediate issues, we need to shift focus to the whole patient journey.

03 Partnership power: You aren’t alone. Your suppliers have been working on this challenge as long (or longer) than you have and have a number of innovative solutions you can use today to stabilize operations.

Your actions today to mitigate the impact of coronavirus will create a blueprint for future crisis response and create resilience to future supply chain shocks.
A fragmented and individualized response is holding us back

Currently, many individual health care facilities are focused on their immediate needs, often requesting more supplies than they actually need and requesting materials from multiple suppliers. In some cases, multiple individuals within a facility are requesting the same materials from the same suppliers. For suppliers, this means a wave of incoming requests from various officials at all levels, group purchasing organizations and even individual health care facilities. This makes it difficult for suppliers to manage actual demand. These short-term focused actions are leading to localized supply shortages—even where there are ample regional or national supplies.

Here in Canada, as a nation that prides itself on resilience and community, we must understand that disjointed coordination can cost lives. Health care facilities and suppliers need to coordinate their responses, just as individuals have coordinated to physically distance themselves. “Flattening the curve” is a phrase most of us have become familiar with, and in terms of the supply chain, a coordinated response is how we will flatten the demand curve through this pandemic.

A case in individual continuity planning

Decades-old hydroxychloroquine, an antimalarial drug, was ordered at more than twice the typical pace as health systems sought to build inventory following early reports and announcements that it could potentially treat Covid-19. Unfortunately, hydroxychloroquine is also used to treat lupus and rheumatoid arthritis and isn’t typically well stocked by hospitals. As a result of increased demand, patients who need this drug no longer have swift access to it.¹

Examples like this demonstrate the rippling burdens on the health care system when we don’t act as a single system for the good of all.


Act as one, act for all

Emergencies bring us together, but they can also bring fear. Fear can lead to overstocking and to individual facilities and jurisdictions competing with each other for resources, exacerbating an already challenging situation.

Health care suppliers in Canada have been clear—they have the desire and capacity to help. Fragmented approaches have led some facilities to overstock and other facilities to reach out directly to their communities purely for their own needs. This scenario will begin to play out on a national scale if we don’t collaborate. To do this, we recommend a simple strategy:

01 Consolidate existing crisis response teams, or create an executive response centre within your province to coordinate ministries and health and supply chain organizations.

02 Break down silos. This requires coordination and can be effectively managed with a clear meeting cadence across and within provinces. Information can move quickly from the front lines to the executive committee to prevent duplication of effort or demand.

03 Establish a single source of truth for supplies, and estimate reasonable demand based on best knowledge. Not all jurisdictions benefit from integrated IT systems, so creating a scalable process to gather and refresh data rapidly across facilities and regions is critical.

This approach has been applied in agile and responsive organizations around the world to improve decision making and reduce demand for staff and supplier resources.

We need to manage demand to allow suppliers the most time possible to manage their global manufacturing capacity

Suppliers are confident in their ability to increase capacity, but if health care organizations can avoid fluctuating or excessive short-term demand, suppliers will have more time to retool and address operational constraints.
Focus on the whole

It's important to focus on the pressing needs of the moment, but the further we advance in our response, the broader our vision needs to be. Currently, most resources and media are focused on shortages in personal protective equipment (PPE), but as the need for ICU beds increases, the supply needs will shift.

Most provinces are focused on innovative solutions to free up beds in hospitals, such as using hotels or other public buildings. But creating capacity in a hospital isn’t enough; for an ICU bed, supplies like infusion pumps and IV fluids, monitoring equipment, catheters and tubing are essential. Seriously ill patients need ventilators, which require sterile water and other accessories. It’s not a simple picture.

If we don’t focus on the whole patient pathway now, IV fluids and sterile water may become the PPE of tomorrow. Key actions should include:

01 Review the entire patient pathway and identify in detail the associated critical supplies and current state of inventory.

02 Enhance coordination and interactions between the provider and supplier communities and work on validating, acquiring and allocating critical supplies beyond PPE.

Partnership power

You aren’t alone. Your suppliers have been working on this challenge for as long (or longer) than you have and have innovative ideas to help stabilize operations.

Building relationships and including your suppliers in your planning can provide a number of benefits. Global suppliers have been working on this for months and can provide guidance on reallocation or pacing for products. They may also be able to help you revise clinical pathways to optimize the resources and supplies you do have access to. This takes new ways of working together.

01 Be realistic and open with needs: Suppliers are managing global demands and can help you refine lead times and usage to avoid disruptions.

02 Collaborate with suppliers to develop alternative strategies for products: For example, the US Center for Disease Control is working with suppliers to adjust guidelines for the use of PPE.

03 Recognize that suppliers also have resource constraints: Take into account the number of people working remotely, and adopt virtual collaboration, increase electronic submission options and provide flexibility on submission timelines during the next few months.

What to look for now

When health care systems compete directly with each other, this puts unnecessary stress on the supply chain.

By connecting operations and suppliers, supply chain leaders can address three strategic priorities for health systems to respond effectively to the pandemic:

01 Act as one, act for all: Consolidate, coordinate and mature your crisis response teams to break down silos, empower tactical decisions, escalate important issues across provinces and begin building transparency into your supply chain.

02 Focus on the whole: In collaboration with suppliers, manage the immediate need for PPE but don't lose sight of the entire patient pathway. Build strategies for identifying and planning inventory to manage the pathway.

03 Partnership power: Collaborate and communicate with your suppliers to benefit from their experience. Together, establish new ways of working to address issues and maintain ongoing supply chain business to minimize negative economic effects.

In our experience, a crisis is typically measured in months, while recovery is measured in years. These actions will help create a crisis-agnostic plan for the future and put us in a much stronger position for our eventual return to business as usual.

Contact

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