

Why metrics are the building blocks for supply chain transformation

A major US health care provider had a vision to deliver quality care more efficiently, but divergent data management was clouding the horizon.

■ The better the question

How can data drive your supply chain to new heights?

With operations across the US, this health care giant had to make sense of disparate figures across varying systems and dashboards.

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Operating as one of the largest health systems in the US and serving millions of members nationwide, this health care company was managing highly varied patient needs across multiple states. Over 30 hospitals and dozens of medical centers needed an efficient supply chain to deliver important medical items for doctors, patients and staff. Dependability and resiliency were operational imperatives for this organization – inefficiencies and disruptions could quickly become life-threatening.

When COVID-19 struck, this health care company created a “war room” to check and double-check its inventory, which informed them when patients could be scheduled and when materials would be available to support corresponding appointments and procedures. As the crisis began to ease into a new normal, data accuracy and visibility within the organization’s supply chain had proven to be an organizational imperative.

To keep this health care organization future-focused, it wanted to undergo a [digital transformation](#) centered on data automation, simplification and standardization across the multiple states and markets it served. It wanted to identify what regions of its supply chain were underperforming and which areas and processes might be modeling organizational best practices.

Individual offices, hospitals and regions were measuring success differently using varying systems, all using conflicting definitions of success, which made it extremely difficult to compare and benchmark across the entire organization. It was obvious that this health care company needed a dashboard of streamlined metrics.

Ernst & Young LLP (EY) was called upon to deliver fast results. In less than two months, the EY team pinpointed current metrics across regions and offices and drove the dialogue needed to help plot the course toward streamlined reports and a cohesive picture of success across the network to better inform leadership decision-making, [supply chain](#) forecasting and inventory planning.

“We were excited to join this health care organization on their quest for operational excellence and knew we could deliver immediate results by making sense of disparate numbers and systems, giving them a baseline to benchmark future success against,” said [Ashutosh Dekhne](#), EY Americas Supply Chain & Operations Practice Leader. “Common metrics and consistent data management are the building blocks they needed to keep their supply chain operating effectively.”

Collective dialogue helps define a new path forward

EY workshops identified the right metrics and technology needed to strengthen this health care organization's operating model.



EY facilitated three workshops for this health care organization, designed with a future-back approach – starting with the organization's vision and connecting it to the metrics that drive progress toward those goals. Workshop attendees represented all the regions and supply chain operations in scope across the organization.

During the sessions attendees shared over 100 ideas on how to translate the organization's supply chain vision into tangible actions. EY guided the workshops with deep [health care sector knowledge](#) and synthesized the findings for executives. The recommendations from these sessions would shape the strategy EY created for effective data management throughout the organization.

The biggest learning achieved through these collaborative workshops was that many people had faith in their own metrics and related processes within their regions, but not in the data management processes across the organization. Resources reported following over 375 metrics (85 of which were unique), consulting 130 different dashboards and reports, and using 15 technology systems and platforms. The quality of their data and metrics was questionable because it came from many sources, at different times – some devised manually, others in a dashboard used infrequently, following varying definitions. What qualified as "on time" for one hospital was totally different from another hospital, even though they were part of the same network. Most data from the dashboards and platforms was only as reliable as the most recent manual update.

"We quickly realized through these focus groups that we had no data standardization across our organization," this health care organization's Chief Supply Chain Officer said. "We needed a common set of definitions, numbers, analytics and tools that flowed throughout all our hospitals and offices, and those systems needed to be regularly used and trusted by our people."

Through more dialogue facilitated by EY, participants began narrowing down the list of metrics, dashboards and reports they used to determine what data management processes should be retained and which operations could be reduced. Participants voted on the value of specific reporting practices and provided input on the tools they found most accurate and user-friendly.

"One hundred thirty dashboards were ultimately streamlined into one cohesive console," the Chief Supply Chain Officer said. "This new dashboard allows us to quickly track performance, see inventory and manage volume across our network's supply chain."

Dashboards consolidated

130

Achieved by streamlining technology systems into one unified platform

Keeping their organizational vision in mind, to serve patients quickly and effectively, participants agreed that by reducing time spent on superfluous data management activities would free up bandwidth to serve more patients, and that streamlined reporting would give them the visibility needed to ensure all patients received the same high standard of care. With the upgraded and consolidated reports now in place, this health care organization is now using a more effective data management to support a more efficient operating model.

Streamlined data helps create lasting change

By reducing the number of metrics and tools, EY helped this hospital system focus on what's most important - its patients.



Executives at this health care consortium now have identified the top 25 key metrics – down from 375 – needed to assist them in making important supply chain decisions related to inventory, scheduling and volume across their network.

The 15 different technological platforms that once fed 130 operational dashboards have now been streamlined into one standardized dashboard, underpinned by one technology platform. With one visible central system to manage data across their vast network, leaders are spending less time reconciling numbers and can make faster more informed operational decisions that serve their hospitals better.

EY also programmed the single technology platform to accept data from an internal customer scorecard, helping the health care organization keep patients' needs top of mind.

So that the new data management model would stick, EY had monthly touchpoints with the leadership team throughout the first year. In Phase 1, touchpoints validated that metrics were being leveraged appropriately and redeployed across regions effectively. Areas that needed change management and training were identified, if needed. As the first year progressed, EY helped this organization pinpoint potential new metrics and further changes in its technical architecture that could keep its supply chain future focused.

"We now have a strong loop of training, communication and measurement of our new data management system," said the company's Chief Operations Officer. "We are also embedding these new ways of working into our performance management process to drive lasting change within our organization."

Results achieved:

- ▶ 30 hospitals better served through optimized data
- ▶ 375 metrics tracked reduced to top 25
- ▶ 15 tools/systems folded into one cohesive technology platform

By investing in data, this health care company is investing in people. Behind the doctors and nurses who provide care, and the patients who need medicine and service, there are numbers – metrics that may seem routine on a screen, but that underpin a health care system that millions of Americans rely on. With a more solid data management process, this organization can now optimize their supply chain and focus on providing high-quality care for patients across the country.

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