

Case Study : Healthcare

Company Brief

A leading brand of reputed chain of hospitals, having facilities across major cities in USA.

Background

One of the major challenges faced by the company was about bringing more efficiency into the purchasing function. The purchasing of essential hospital supplies (e.g. surgical, diagnostic, laboratory, pharma and consumable items) were largely localized to each of its facilities. Each facility had its own contract with the suppliers and carried its version of item master and vendor master. The purchasing departments were manned by clerks who punched out the PO's and maintained the item details within the master files.

Over the years, the quality of master data in each of its facilities had deteriorated due to lack of proper data governance and 'Excel culture'. Typical issues with the data were that;

- There were multiple records for the same item.
- Many records were not linked with proper Vendor or Manufacturer information
- Descriptions were inconsistent, abbreviated and in some cases inaccurate.

This resulted in slow procurement cycle and maverick purchases. This also resulted in dependency on purchasing clerks even for simple and routine items.

The management of this hospital group decided to centralize the procurement function by integrating the individual facilities using a reputed procurement management software system. The immediate challenge to overcome was the issue of data quality of master files, which could potentially fail the whole project. The immediate requirement was to cleanse the master files. This was easier said than done. This required special domain expertise across various medical disciplines.

Statistics and timeline

There were about 300,000 records from 11 facilities. These were collected in the form of MS-Excel files. Griha had a timeline of 10 months to complete the data cleansing exercise.

Solution

Customer engaged Griha Soft to address the data quality issues of its master files. Griha acquired the master files from each of its facilities, carried a detailed quality audit, identified and prioritized the various issues and prepared a project plan to address them. A data cleansing exercise was carried out using the subject matter experts, database specialist and content engineers. Griha team of domain experts consisted of MDs, Pharmacists, Nurses, Laboratory technicians, Purchasing Managers and Content specialists.

Griha also carried out a “direct sourcing” exercise where it reached out to Vendors and Manufacturers to

- Directly obtain the missing product information
- Verify the validity of existing information
- Collect and update the Vendor information

Griha classified the item information into UNSPSC commodity codes. For the item information, data templates were created, information was parsed, standardized and enriched. Special attention was given to create rationalized short item descriptions. Griha carried out desktop research to fill in missing bits of item description.

When the master data was cleansed and integrated, it was discovered that,

- extent of duplication was about 35%
- about 11% of data had to be separated out as “Exception” due to obsolescence and inaccuracy
- When supplier details were cleansed, standardized and consolidated, the number of suppliers reduced from 3000 to 1700

Griha also created item upload files for porting the cleansed data into the target procurement system.

Business Benefits

- Considerable reduction in the inventory size due to effective de-duplication and normalization
- It had a direct positive impact on the order cycle of critical items.
- Most current Supplier details were present
- Most current and supplier’s official / approved content.
- Standardized data across enterprise which can be programmatically handled.
- Classification enabled effective spend analysis.