The Bexar County Hospital District, doing business as University Health System, has come a long way in the past century. Today, its supply chain professionals are focused on implementing Six Sigma, encouraging supplier diversity and adopting automation.

University Health System’s origins date back to 1917 when the city of San Antonio and the county of Bexar jointly opened the Robert B. Green Memorial Hospital to provide medical services to the community’s indigent population. Today, it is one of the largest employers in Bexar County with more than 6,400 employees, nearly 700 resident physicians and a 2015 operating budget of $1.2 billion.

University Hospital System operates 716 acute care and specialty beds and serves as the premier Level I trauma center for a 22-county region of south Texas. It also operates 716 acute care and specialty beds.

Best of the Best

University Health System is improving its processes and increasing efficiency by modernizing supply chain functions. By Jeff Borgardt
ty area of south and central Texas. University Health System’s outpatient facilities provide primary care and specialty outpatient care throughout Bexar County.

The system’s supply chain team includes 140 internal members. Its supplier diversity program has been in existence for 10 years. In October 2014, the health system reached the milestone of $1 billion spent with diverse vendors including small, minority, women and veteran-owned businesses.

“This is a significant achievement for an organization our size because the health system does not use goals or set asides,” says Francine Wilson, senior vice president of the supply chain. “This accomplishment truly speaks to the commitment of everyone from the board of managers and leadership team to the procurement services and supplier diversity staff. … The health system has been inclusive and aggressive in cultivating a group of suppliers and contractors that represent the diversity of this wonderful community.”

**The Right Competencies**

“We always like to be the best of the best,” Wilson says. “With an organization this size, you have to make sure you have the right competencies. You have to make sure the right people are on the bus.”

The supply chain team is active in the Six Sigma philosophy. “We are always streamlining our processes and workflows, making sure to eliminate waste,” Wilson says.

Wilson’s department works closely with other operating units of the hospital system. “One of our biggest challenges a few years ago was building that trust and rebuilding the broken bridges between materials management and patient care services,” she explains.

LINET, a leading global supplier of hospital beds, believes it has never been more challenging for Supply Chain professionals to deliver superior patient care at the best possible value for their organizations. Through innovation and collaboration, LINET partnered with UHS to deliver over $1 million in acquisition savings while increasing nurse productivity, reducing workplace injuries and improving overall patient satisfaction.

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Previously, hospital nurses had been ordering and stocking supplies in a manner contrary to established procurement practices. “There was hording of supplies going on,” Wilson recalls. “It was a big fight.”

The hospital administration ultimately decided to remove ordering supplies from the nurses’ duties so they could focus more on patients. “It was not cost effective to have $20, $30 or $40 per hour nurses ordering supplies,” Wilson explains. “That is not their core competency.”

To achieve this, Wilson had to educate staff about the professionalism and standards of the procurement process. “It is not just people down in the basement with cardboard boxes,” she says. “Supply chain is now a career and people have degrees in it. They can negatively affect the bottom line if they don’t have the right competencies. We have had tremendous support from senior leadership from the C suite including the board of managers.”

**EXTERNAL SUPPORT**

Major partners to University Health System’s supply chain team are PAR Excellence and Savant Automation Inc. PAR Excellence’s automated inventory management system uses weights and scales technology to measure inventory.
Savant Automation provides automatic guided vehicle systems (AGVS) including automatic guided carts. Essentially robots, the carts are equipped with sensors and voice commands to deliver critical medical supplies to needed locations. “When our new 1-million-square-foot Sky Tower opened April 14, an addition that doubled the size of University Hospital, we had three buildings to service,” Wilson says. Rather than staff pulling carts and potentially being injured, automated guided vehicles accomplish the tasks better, Wilson says. The system operates out of view of staff and patients. “They take items up and offload them. They are very large carts,” Wilson explains. “Everything is programmed and automated. It has been fully implemented for a month-and-a-half now. It has been essential to providing surgical services their trays and carts in a timely manner, and we can run them 24/7 offstage in a way that eliminates noise in the hallway so as not to awaken sleeping patients. It has been a win-win for everyone and a total success.”

Savant Automation, formerly part of Siemens, is a full-service hospital AGV System supplier offering no-charge application analysis and pricing estimates. As a U.S. business with a 60 year history, we own, engineer, and manufacture advanced technology AGV cart transport systems that offer simple installation, high up-time, very low operator dependence and quick payback. Whether it’s an existing or new facility, our approach is to partner fully with our customers to ensure our systems meet their needs. For more info, call 616 791-8540 x221 or visit www.agvsystems.com.

Good to Great
The supply chain management of University Health System is influenced by the management philosophy of James C. Collins as outlined in the book “Good to Great: Why Some Companies Make the Leap and Others Don’t.” The 2001 work is a modern classic of business management theory in which Collins identifies and evaluates the factors and variables that allow a small fraction of companies to make the transition from being merely good to truly great.

“Good to Great’ is about hiring the right people, and then maintaining a laser focus on the things you do well in order to reach the next level,” says Francine Wilson, senior vice president of the supply chain. “Those principles have guided us and continue to provide us with direction.”

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<th>INTERFACES WITH:</th>
</tr>
</thead>
<tbody>
<tr>
<td>LINENS</td>
<td>CART WASHING STATIONS</td>
</tr>
<tr>
<td>DIETARY / FOOD SERVICE</td>
<td>ELEVATORS</td>
</tr>
<tr>
<td>PHARMACEUTICALS</td>
<td>PAGING &amp; FIRE ALARM SYSTEMS</td>
</tr>
<tr>
<td>SUPPLIES</td>
<td>AUTOMATIC DOORS</td>
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<tr>
<td>MEDICAL WASTE &amp; TRASH</td>
<td>FACILITY MANAGEMENT SYSTEMS</td>
</tr>
<tr>
<td>STERILE/SURGICAL</td>
<td>BUILT-IN SAFETY FIELD PROTECTION</td>
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