

Early Results of EDI integration in Quebec's Healthcare

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Experts et humains





2004 Status

- 8 Buyers
- 4 Contracting Agents
- 19 Warehouse Employees
- 3 Customer Services Representatives
- 3 Managers

37 persons with read/write acces to master item list

37 individuals with different motivations, goals, and tasks



2004 Status

- 90,000 items + 4,000/month
- Incomplete item definitions
 - Glove
 - O-ring
- Suppliers' item numbers unrelated
- Intelligent numbering of items
 - 02-425-001
- 15,000 suppliers
- Faulty inventory database



On a strategic level...

- ... the large number of humans handling the items master in our information system ended up being a liability



Russell Ackoff's Theory

- Data
- Information
- Knowledge
- Wisdom

...together with understanding and correctedness



The perfect order

- A Perfect Order is defined by SMI as a purchase order processed electronically (from order to payment) without human intervention, which is delivered to the correct location, on time, undamaged, at the correct price

www.smisupplychain.com



First Change

- A new ERP system had been chosen and was to be implemented in the next 6 months
- A team of database managers consisting of 3 technicians was created over the years, which with 3 managers, meant only 6 people now have read/write access to our database



First Change

- A Web application was developed to allow requests for new items or changes to existing ones
- Description and unit of measures standards have been chosen, and the old data was cleaned before the new ERP went live
- Items now use a dumb identifier



First Change's Results

- Down to 46,000 items
- Down to 5,400 suppliers
- Cleanliness of data made gathering of relevant informations easier
- Since January 2008, 82 daily requests in the Web application, 10% of which regarding the addition of a new medical or surgical item to the master list



First Change's Results

- Real problems now easier to track!

Two items in the food sector have had different prices on the invoice than on the purchase order more than 50 times in the last three months



Second Change – In progress...

- Cleaner data allowed for B2B exchanges with our suppliers
- Quebec Province's Hospitals and GPOs met to discuss B2B. EDI X12 4010 Standard was chosen. Original and mandatory transactions were 832, 850, 855, 856 and 810
- 860, 865 and 840 have been added as nice-to-have features
- iCongo was selected as the carrier for participating clients



Second Change – In progress...

- A province-wide Technical EDI Committee was created
- A province-wide Strategic E-Business Committee was also created
- Not only will medical and surgical supplies be ordered via EDI, Food, Technical Supplies and others too!
- GS1 Canada Healthcare Technical Workgroup



Second Change's Results

- « The number of errors related to price and data manipulation has decreased by 90% since [CHUQ] started using the 832 and 850. »

Nicole Martin, Source Medical

- « [EDI] reduced CHUQ's (...) ordering errors (...) by 98 percent after a few weeks of operation for implemented suppliers. »

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Food services

- 7,000 meals/day
- 3,500 meals sold to visitors, staff, ...
- 3,600 different items in database
- 4 food services centers
- All had to go through our ERP in a one-year timeframe
- Prices for items can change more than 50 times/year



GFS Quebec



More changes to come...

- Auto-ID of incoming goods
- Auto-ID and -localization of assets
- Database synchronisation with smaller health centers
- Complete live integration of a supplier's item list in our ERP



However...

- « You will not create wealth by sticking a tag on a box. »
 - Wal-Mart, RFID Live! Canada, *Toronto, 2008.*
- « There is no ROI to be achieved with EDI or RFID alone... it's all in the processes. »
 - Nigel Wood, GS1 Canada, *Toronto, 2009.*