



Holistic Transformation

A Mayo Clinic Perspective

Supply Chain Management

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Mayo Clinic Mission

To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education, and research.





*Hope
and
Healing*

About Mayo Clinic

- Charitable, not-for-profit; academic medical center
- Provide essential care to over 1.6 million patients
- \$9.4 billion in net revenue
- 57,000 employees of which 3,700 physicians & scientists
- Supplies & Purchased Services - \$2.4 Billion
 - Supplies - \$1.6B
 - Purchased Services - \$800M
 - Capital - \$ 628M
- 2014 SCM Operating Expense
 - 602 FTE's \approx \$52M \approx Fully loaded
- UMCSC 40 IDN / 170 Hospitals



Connecting with People

- Mayo, The International E-Health Program
- Social Media
 - 64,000 peer and underserved visitors
 - More than 1 billion website visitors
 - 137,000 Twitter followers / 80,000 Facebook friends
 - 4000 eConsults

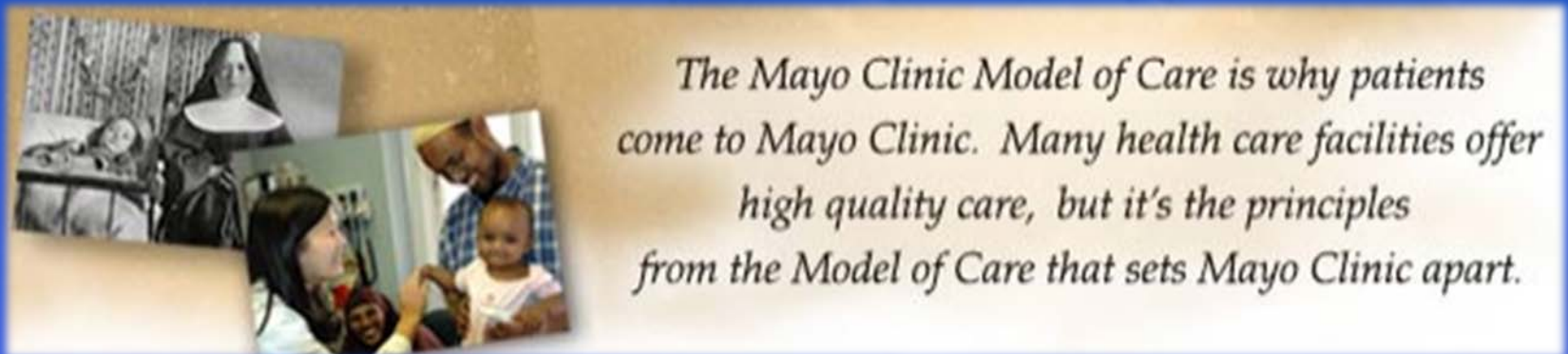


Staying Connected



Mayo Clinic Model of Care

- Teamwork
- Multiple disciplines solving complex problems
- Coordinated Care
- Taking time to listen
- Collegial, Cooperative, Comprehensive, & Timely

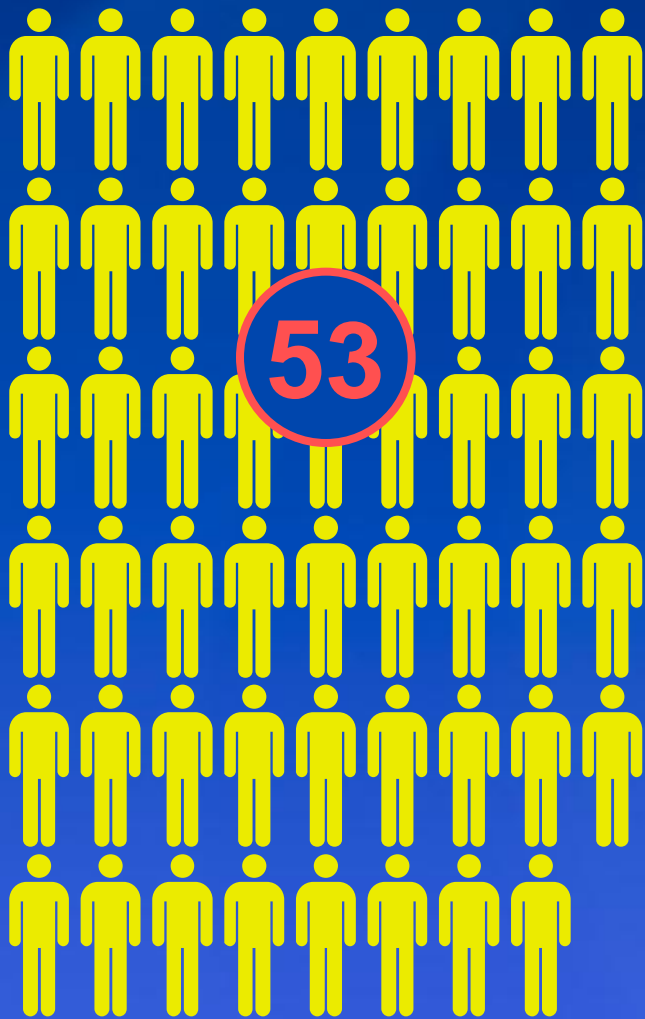


The
needs
of the
patient ...

...are the
only
needs
to be
considered

...Dr. Charles Mayo

Existing
Patients



=

New Commercial
Patient



A photograph of an operating room with several surgeons in blue scrubs and masks. A large surgical light is visible at the top, and medical equipment is in the background.

Trusted

Caregivers

Affordable

...James R. Francisrthy

Mayo Clinic (SCM)



Primary Value: *The needs of the patient come first.*

Vision: *Mayo Clinic will provide an unparalleled experience as the most trusted partner for health care.*

Mission: *To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education and research.*

Supply Chain Management

Model of Care Elements

value health care and improved performance.

Teamwork

Outcomes

Respect

Culture

Innovation

Systematize

3. Continue to transform the health care.

Strategic Requirements

1. Attract, develop, and retain the best talent.

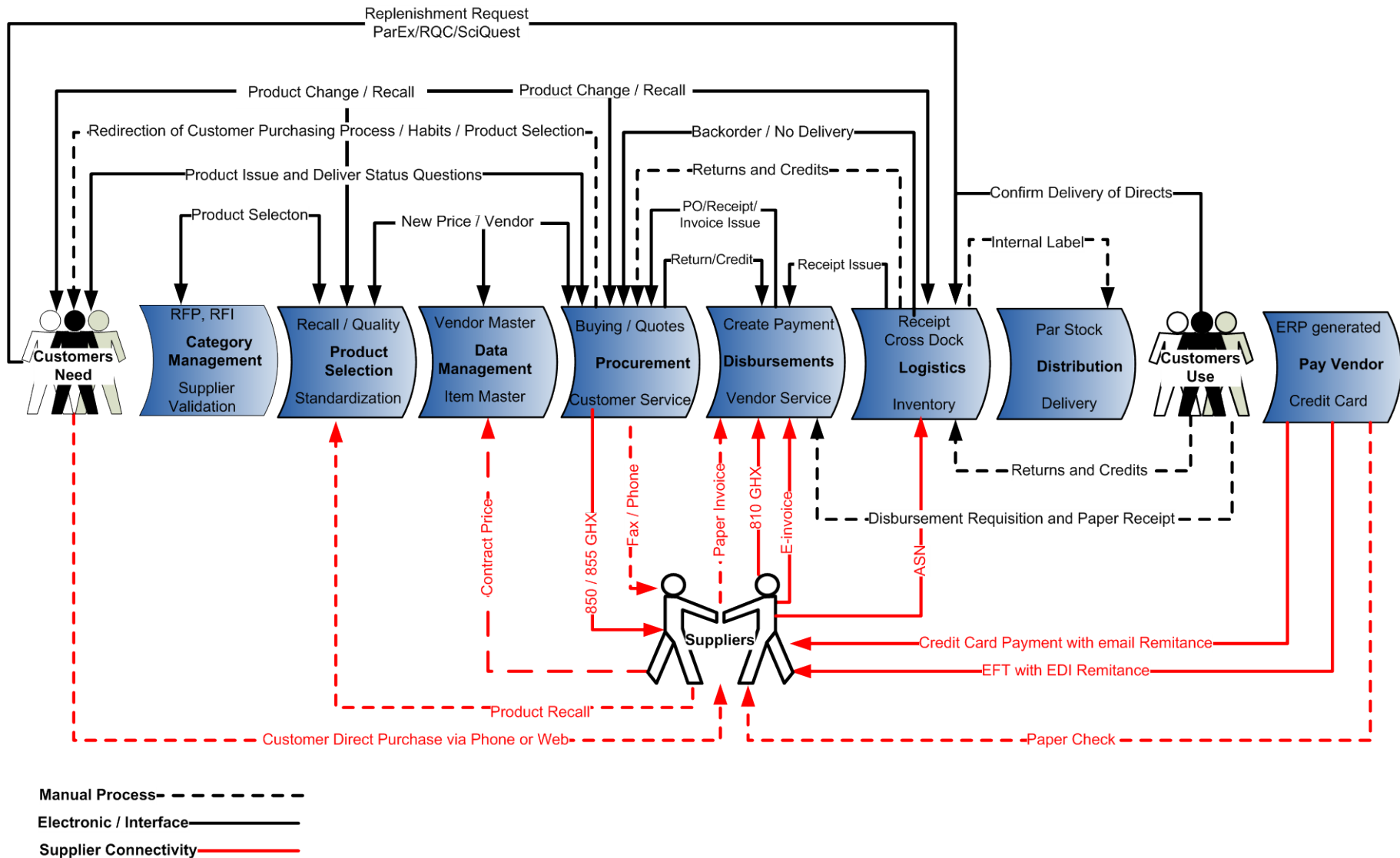
2. Excel at supply chain performance and deliver results.

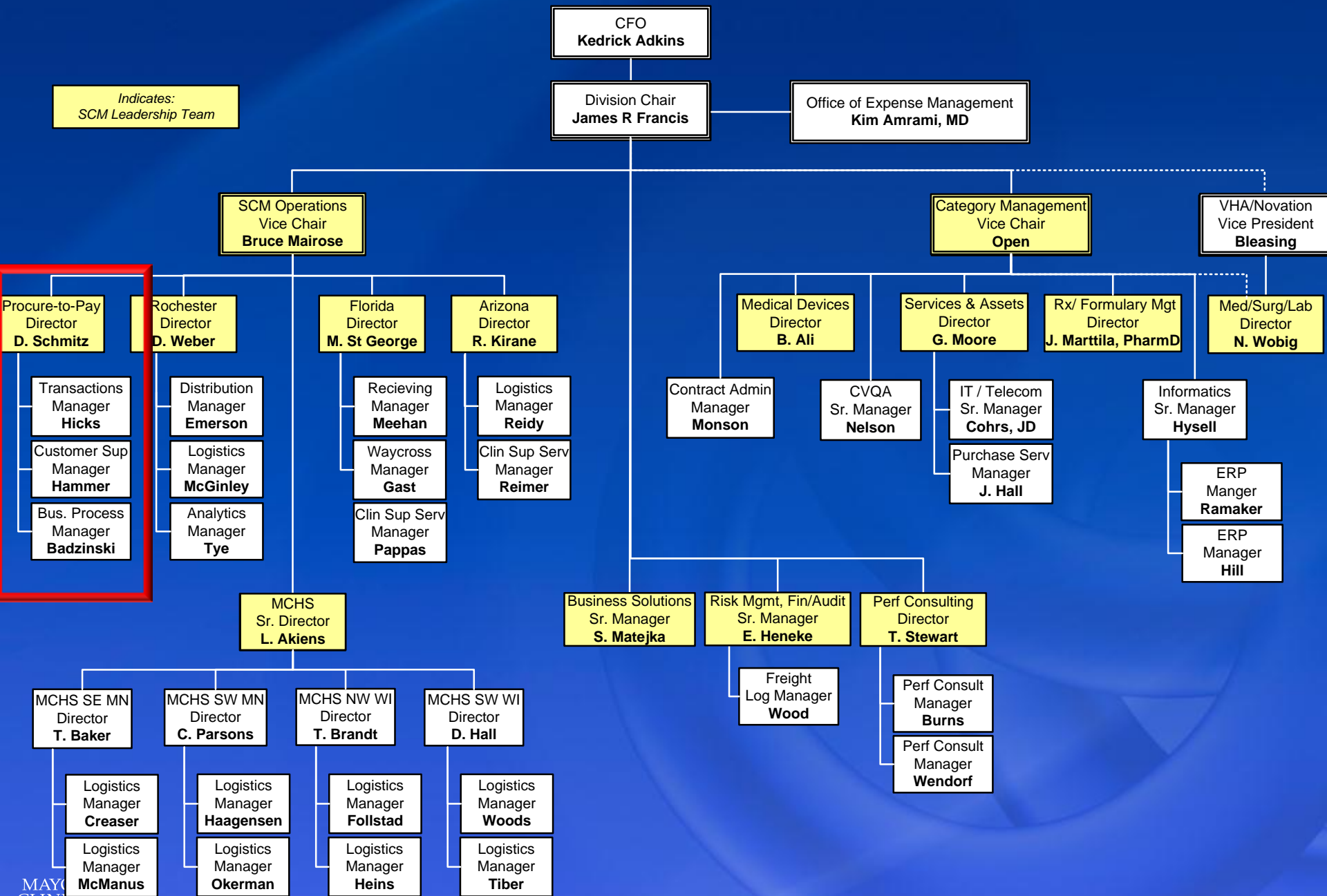
3. Provide superior business intelligence that enhances knowledge

4. Serve as a trusted collaborator to the Practice.

5. Innovate through discovery and development.

6. Enable through technology and systems.

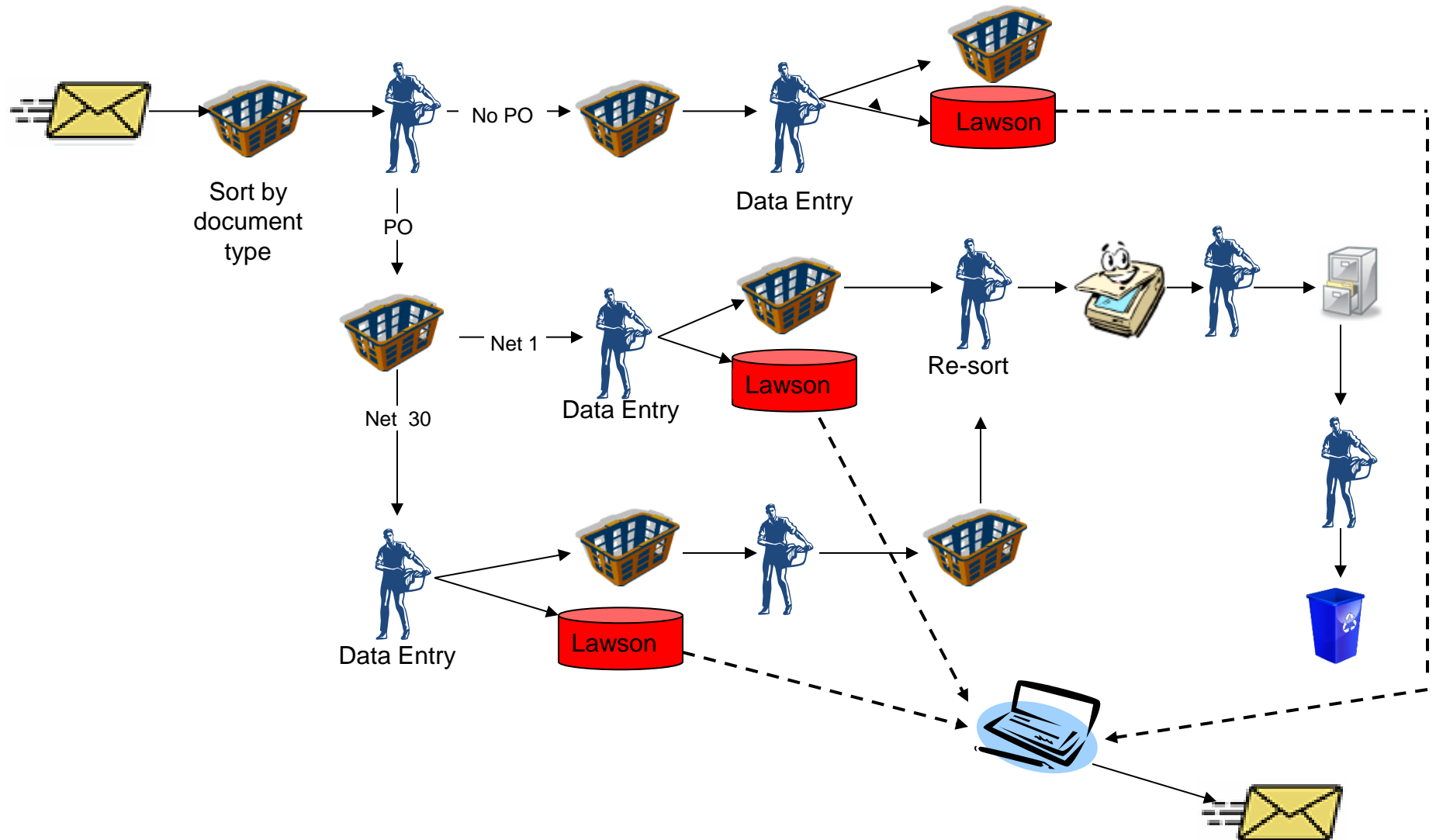




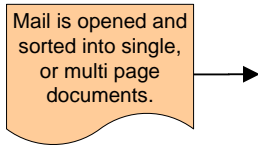
Transformational Imperative

- 12% increased workload anticipated
- 6% target for cost reduction
- 5% processing error rate
- Enterprise Resource System (ERP) was not configured to accommodate a dynamic processing environment
- Employee demographics were not sustainable

The Manual Flow



The Automated Flow!



Merging Culture and Communication

- Build as we learn – Build as we go
 - Cannot spell-out “end state”
 - Establish culture of constant change
- Identify enabling technologies and catalysts
- Create metrics for success
 - Efficiency
 - Effectiveness
- Make is easy for customers “to do the right thing”
- Focus on the whole as well as the parts



Procure to Pay Roadmap

- Holistic approach to standardization and best practice that align with Mayo's strategic plan
 - Process integration
 - Make it easy for the customer to “do the right thing”
 - Customer education
 - Improve service through automation and options
 - Reduce manual intervention
 - Improved efficiencies and effectiveness
 - Identify data that enables evidence based decisions
 - Scalable and flexible to changing needs
 - Transition from reactive to proactive management



**Darwin did not say
“Survival of the fittest.....”**

**“.....those most adaptable
to change survive”**

Procurement Metrics

	Prior to Share Services	12 Months Post	December 2010	December 2012	December 2014
Average POs per Month	30,381	29,317	28,462	37,260	41,035
POs per FTE per Month	661 PO's/FTE 47 FTE	1222 PO's/FTE 24 FTE	1200 PO's/FTE 23.8 FTE	1285 PO's/FTE 29 FTE	1549 PO's/FTE 26.5 FTE
% POs Auto-released	40%	62%	65%	68%	70%
% POs Transmitted EDI	40.9%	37%**	44%	50%	52%
Invoiced not Received (>30 days)	650 lines	288 lines	202 lines	227 lines	457 lines
Received not Invoiced (60-270 days from receipt)	4285 lines	3295 lines	3500 lines	3400 lines	5294 lines

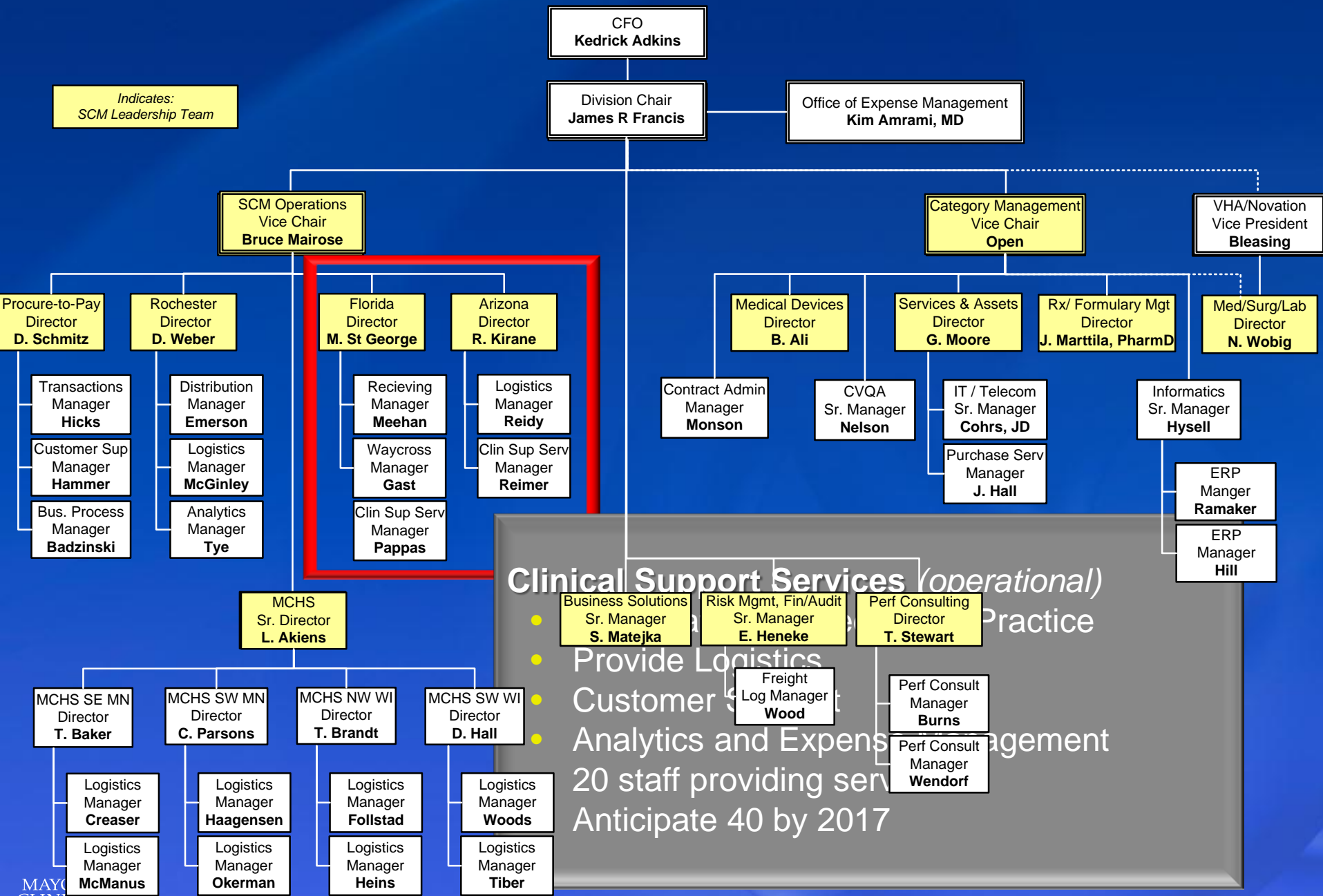
***decreased when would not move to GHX platform*

Disbursements Metrics

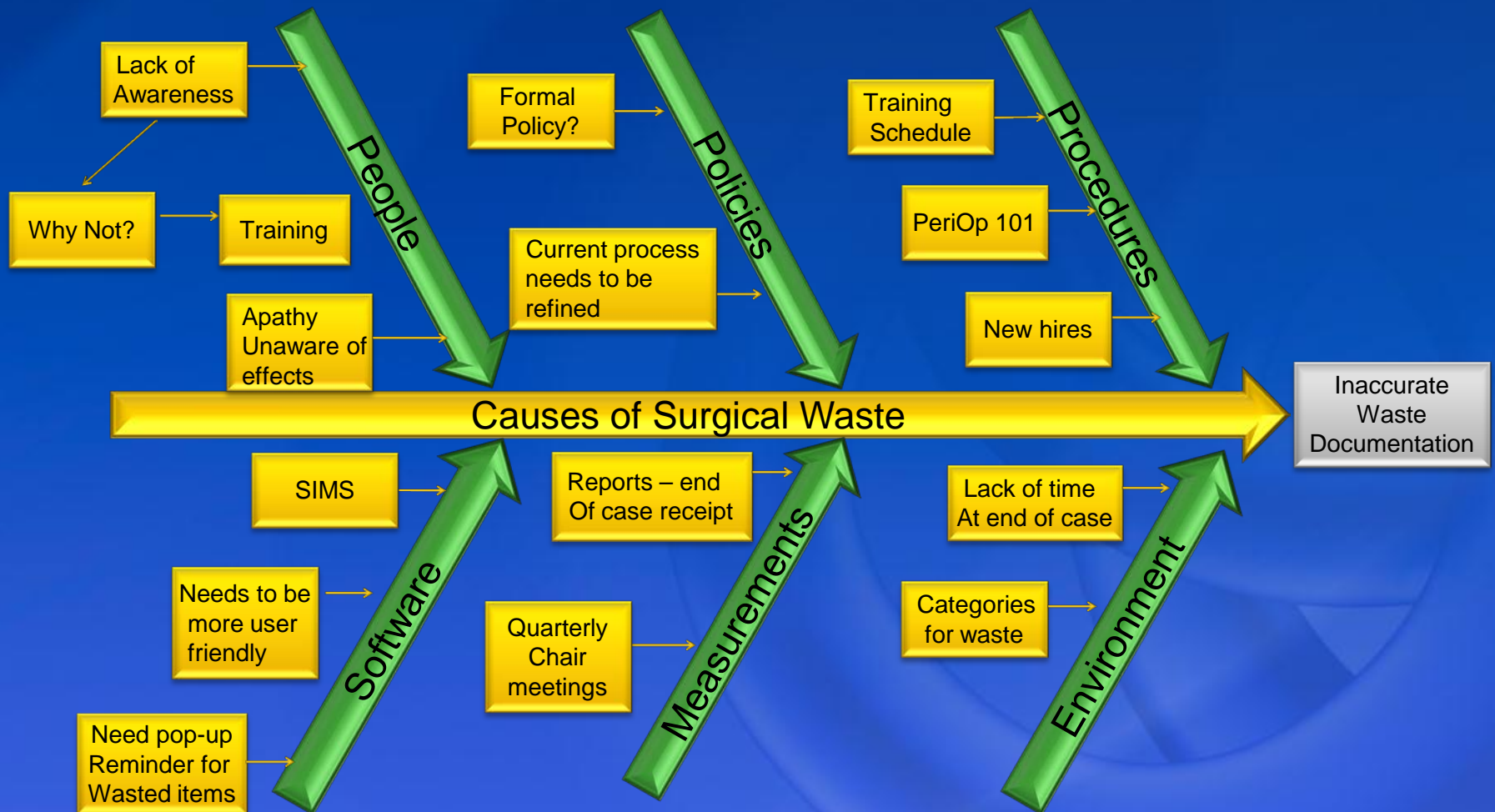
	Prior to Implementation	9 Months Post Implementation	December 2010	December 2012	December 2014
Invoices / year	836,339	937,000 (12% incr.)	1,168,000 (17% incr.)	1,175,000	<u>1,156,000</u>
Days backlog	<u>10 – 14</u>	<u>2</u>	2	2	<u>4</u>
Data entry resources	14 FTE	7 FTE	7 FTE	2.5 FTE	<u>1.5 FTE</u>
Cost per transaction	\$4.35	\$3.83	\$4.30	\$3.67	\$3.70
Processed on paper	52%	3%	1.8%	1.4%	1.3%
Processing error rate	5%	2%	1.5%	.44%	.2%

The image shows two bronze statues of men in suits, likely the Mayo brothers, sitting on a wide set of stone steps. They are positioned in front of a modern building with large glass windows and a metallic facade. The word "Compelling" is overlaid in a large, stylized font, with the 'C' and 'l' in blue and the rest in green. The word "Evidence" is partially visible behind it in a smaller, green font.

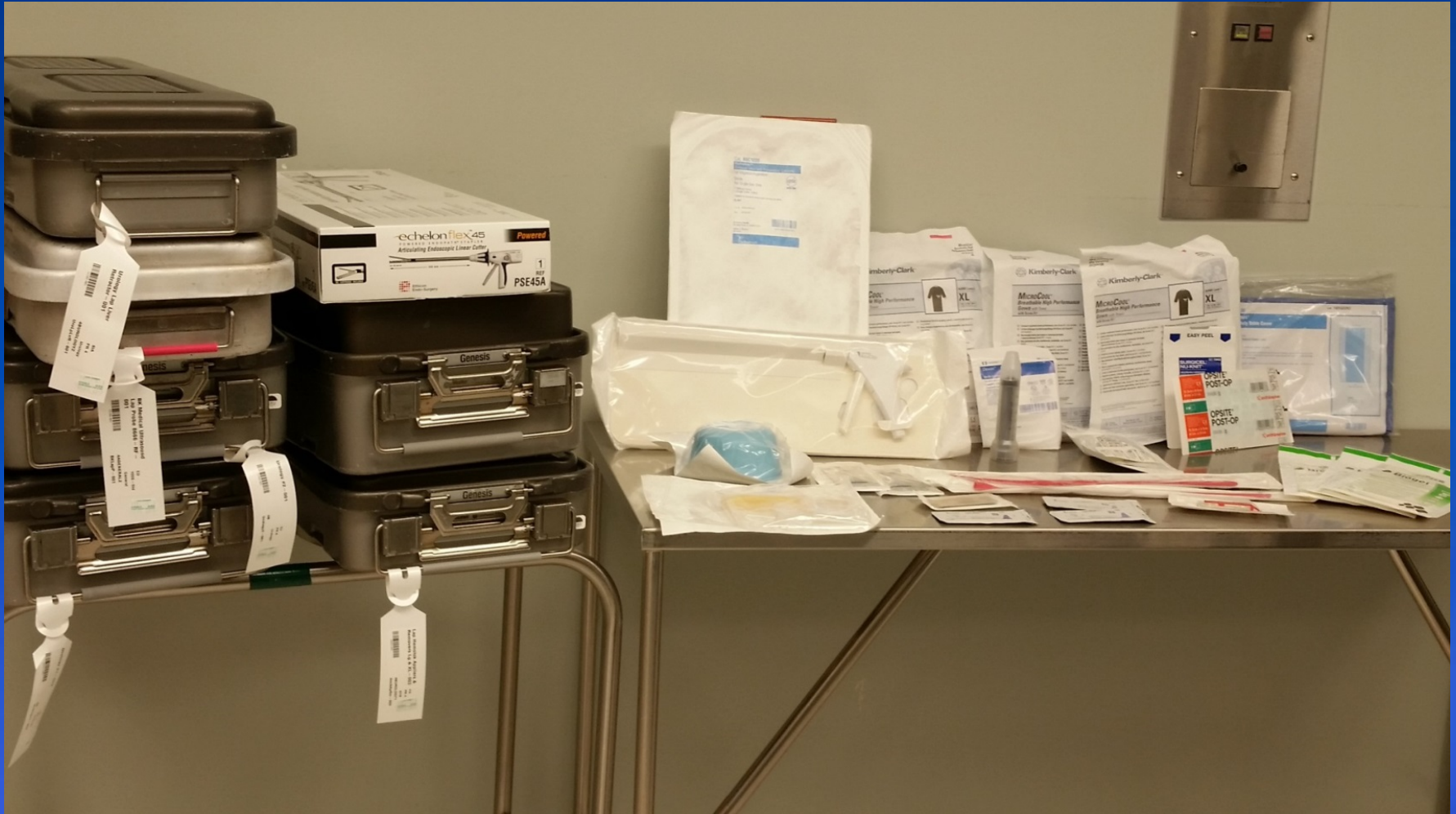
Compelling
Evidence



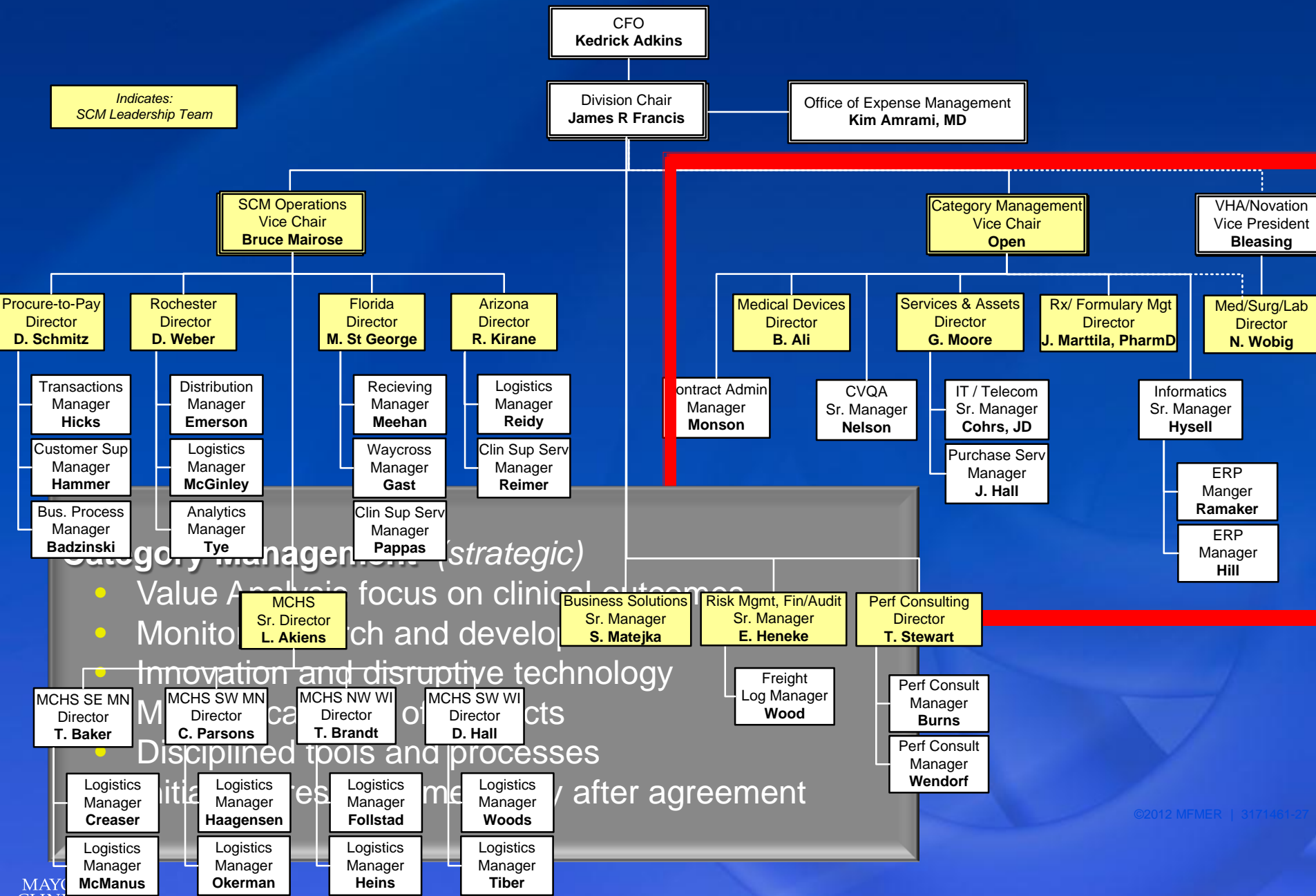
Ishikawa Diagram (Cause and Effect)



5S Removed Items

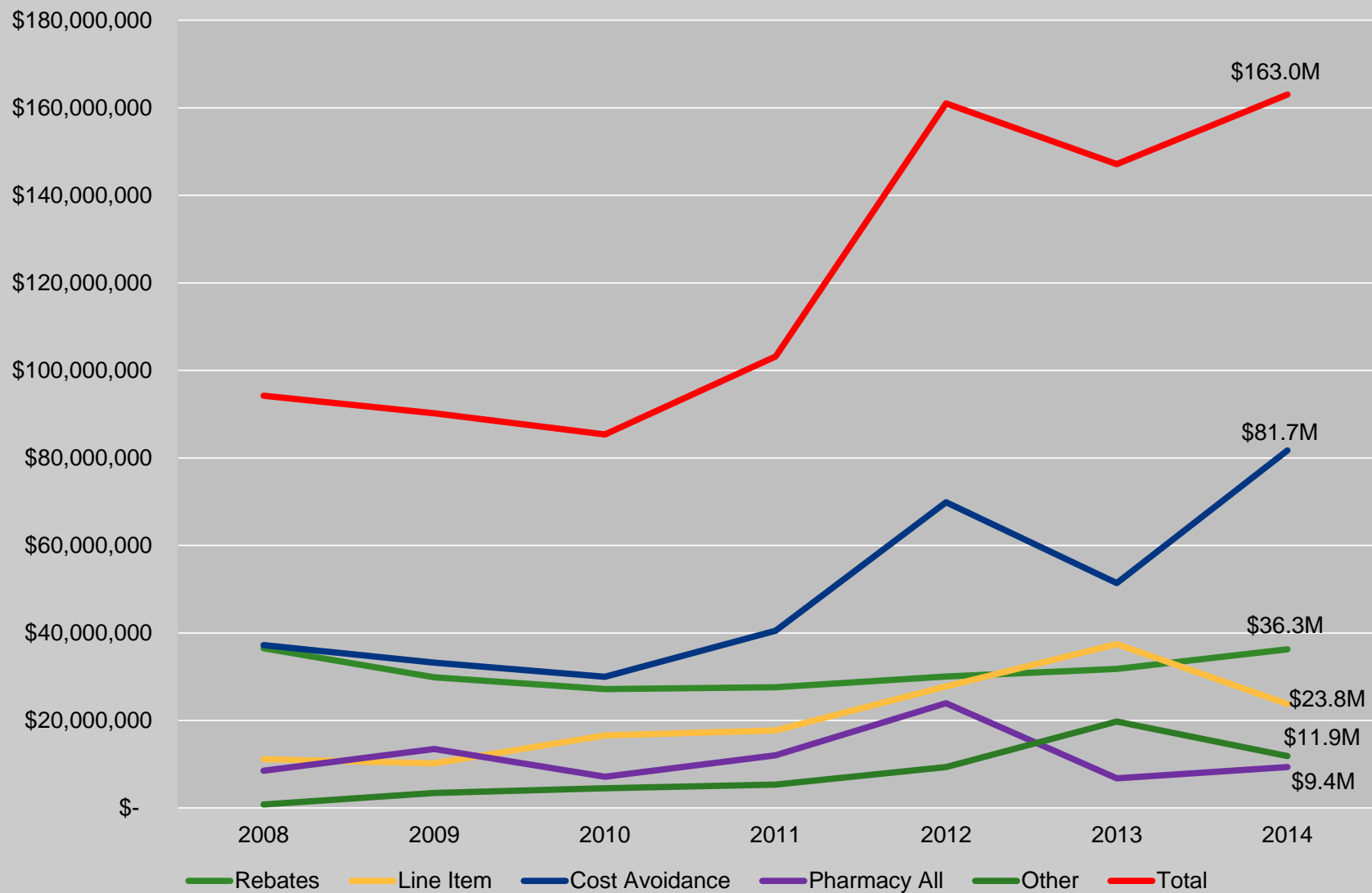


Grand Total: \$1,174,239



Value

SCM Value Scorecard





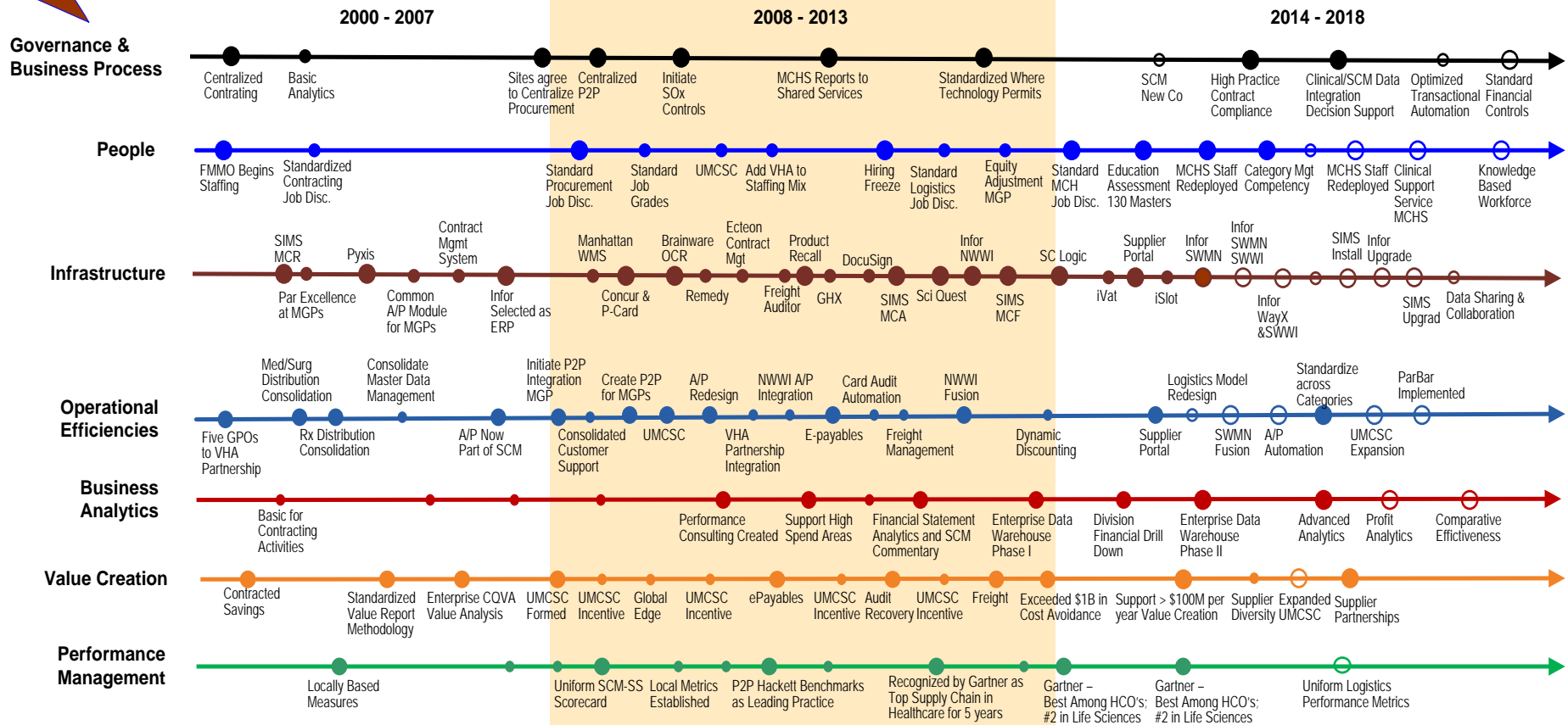
**When you are going
through hell ...**

...keep going!

~ Winston Churchill

SCM Road Map

Supply Chain Management Roadmap



**Call Center 100% Card
Improved Analytics
Audit Trail
Authentication**

**Optional
16,000
Character
Travel Cards
Recognition
EDU
Multiple Invoice
GSN Submission
1200 P-Corps
Freight Mgmt Reduced
Expense**

Clean Data Supplier Portal

So
what
were
the big
wins?





THE END

