**Manual, paper-based processes result in low visibility to incoming shipments, increased staff time spent on research, lost supplies, and incomplete and inaccurate information**

## Overview

Hospital receiving processes vary widely. While it may be tempting to fall back on the old adage "if you've seen one hospital, you've seen one hospital," it's important to consider the benefits of improving and standardizing hospital business processes.

This report looks briefly at the current state of hospital receiving, outlines some of the reported problems with current processes, and makes recommendations for improvements.

To compile this report four acute care hospitals were interviewed and participants discussed the current challenges being experienced with their receiving processes. While each of the organization's receiving teams is hard at work processing incoming shipments, the manual processes and disparate systems cause some big gaps. The result is that receiving spends additional time offloading, staging, tracking, and delivering incoming shipments. In most organizations, internal users have little visibility to supplies that have been received but not yet delivered. Additionally, hospitals often lack a method to create an electronic, end-to-end record of this process.

## Basic Steps of the Hospital Receiving Process

The steps listed are compiled from four separate acute care hospitals; the steps have been simplified and combined to aggregate as accurately as possible.

1)  Packages are off loaded from delivery trucks onto loading dock carts
2)  Each package is checked for urgency (i.e., perishable items)
3)  Urgent packages are prioritized and given to internal courier for delivery

4)  The packing slip from each package is opened to locate the purchase order (PO) number; each box is opened to verify the packing slip list of items against the box contents
5)  PO is opened in facility's Materials or ERP system for receiving
6)  Receiving tickets are printed and placed with the package
7)  PO number is written on the package and the delivery location
8)  Packages are placed in designated staging area based on final delivery destination
9)  Packages are loaded on carts based on location and routed for delivery
10) Packages ordered by material managers are delivered to Procurement locations; materials managers stock supply locations within their departments
11) All other packages are delivered directly to the department that ordered the products
12) A signature is captured on the delivery ticket and returned to Procurement

## Challenges with the Current State

A number of challenges surfaced during interviews with hospital participants. The most prevalent problems included:

1)  **Speed of processing** incoming shipments. Receiving teams work to quickly process incoming shipments. But, high incoming package volume combined with manual, paper-based processes results in the time to off-load, receive, match to POs, stage and deliver shipments taking longer and costing more in labor and research.

2) **Multiple receiving and staging processes** occur on the same loading dock, depending on the type of product or supplies received, the carrier (UPS, fed ex, local carrier or distributor), and whether items received were stock or non-stock.

3) ERP systems are used to identify POs and match packages to POs, but **gaps exist between the ERP system and the receiving, staging, and delivery processes**.
   a. Mobile devices aren't supported, processes largely paper-based.
   b. Paper "tickets" are printed out that must follow the shipment throughout the delivery process.
   c. It's currently difficult to manage items on POs that have not yet been received, resulting in a partially complete PO.

4) When packages arrive **without a PO number or a non-PO shipment** arrives, it's extremely difficult to process. "Non-PO packages come in and it's hard to determine where the product should be delivered and hard to find out if the product does have a purchase order," said Jason Greene, Supervisor, Receiving / Warehouse / Copy Center / Mail Room, Supply Chain Solutions, Mary Washington Hospital. Receiving team members spend hours researching unmarked shipments to determine who the recipient should be and what department is the final destination.

5) **Multiple hand-offs occur as packages move** from the receiver, to the internal courier, to the person who is restocking a storage area and/or the person who ordered it. With paper-based systems, the paperwork must follow the package throughout this entire process and eventually be returned to receiving or procurement. Unfortunately, it's easy for the paperwork to become separated from the shipment and not returned correctly for tracking purposes.

6) **Lack of visibility to supplies that are in process**. With paper-based systems, there is no way for internal users to see where shipments are within the health system, including whether they've been staged or routed for delivery. Users can see from a FedEx or UPS tracking number that a shipment has been received by their organization, but they have no visibility to packages in progress.

7) **Lack of visibility to supplies that have been delivered to the internal recipient**. Carmen Winfield, Associate Vice President, Procurement Services, McLeod Health noted, "Packages are delivered to the department and someone uses it before the person who ordered it sees it. They think the product didn't come and call us. We can spend hours each week searching for products."

8) **No electronic record is created** of the end-to-end transaction, so it's difficult to track shipments, record them, and verify delivery to final internal destination.

9) **It is difficult to improve receiving efficiency** without information about how long each package stays at each stage.

## Recommendations: How Can Receiving Processes Be Improved?

- Implement a system that supports greater automation, creates an electronic record of each incoming package, and closes the gaps in current processes, tracking packages to signature
- Provide the ability for internal customers to look up the status of shipments and details on deliveries
- Track time spent on each stage of the delivery process to begin building greater efficiency
- Create a connection between receiving and the ERP will allow POs to be managed and closed quickly
- Leverage smart mobile devices for scanning at each stage of the process
- Wireless label printers can help with staging process and eliminate hard-copy paperwork