

VIRGINIA ASSOCIATION OF HEALTHCARE RESOURCE AND MATERIALS MANAGEMENT Q2 2017 NEWSLETTER

2017 FALL EDUCATION CONFERENCE



21ST ANNUAL GOLF TOURNAMENT

For the 21st consecutive year, VAHRMM hosted a charity golf tournament in conjunction with our annual fall conference. Participants joined us at the beautiful Riverfront Golf Club in Suffolk, Virginia. All proceeds were contributed to the Foodbank of Southeastern Virginia. This captain's choice tournament began with a shotgun start promptly at 9:00AM. Registration options included signing up as an individual player, a pair of players as a twosome, or signups for an entire team of four with the added benefit of a hole sponsorship. Hole sponsorships were also available for individual purchase. Prizes were awarded for 1st through 3rd place. Golfers enjoyed a great opportunity to participate in a fun day of golf with old and new friends.



The 2017 Fall Educational conference was held October 12th, 13th and 14th at the beautiful Westin conference center in Virginia Beach.

Our attendance was increased this year in all areas including 30 new hospital attendees which grew our overall membership by 41.5%, hospital membership growth of 52.1%, and vendor membership growth of 35.4%.

The events kicked off with our annual golf tournament which sponsored a contribution of \$1500 to the local area foodbank. Golfers enjoyed a beautiful fall day on the course, ending in a welcome reception back at the Westin.

We also started a new volunteer opportunity this year for members, new committees that give members the chance to get involved with the chapter as well as contribute to the community. Our first committee kickoff is the "Community Committee" which already has a project under way. The "Smile for a Child" project was a collection of toys and gifts for boys and girls during the fall meeting. The toys and gifts will be spread to children's hospitals throughout the community to bring smiles to the children that have to be hospitalized during the holidays.

We are also planning for Networking, Education and Entertainment committees to assist the board members with the meetings and outreach events. Members are encouraged to participate in the committees to become familiar with board activities and hopefully encourage a pathway to a board position.

Lastly, we would like to welcome our new President Elect to the board, Richard Levine. Richard will be serving as president elect for 2017-2018 and president in 2019.

[2017 Spring Regional Conference](#)



2017 Spring Regional Conference

The Spring Regional Conference was hosted by Sentara Martha Jefferson Hospital in scenic Charlottesville, Virginia. The conference was held in Martha Jefferson's Outpatient Care Center directly across from the hospital. This single day event offered four educational sessions led by industry experts and peers. Lunch was included and provided the perfect opportunity to network with colleagues. We are again pleased that we could offer **FREE** conference registration for all attendees and the opportunity to earn CEU's at no cost.



2017 BOARD MEMBERS

Our 2017 VAHRMM Board of Directors:

- President – Isabel Moore
- President Elect – Richard Levine
- Secretary – Cathy Gray
- Treasurer – Thomas McVey
- Programs/Education Co-Chair – Melissa Ryan
- Programs/Education Co-Chair – Chris Lawson
- Membership Co-Chair – Sophie Rutherford
- Membership Co-Chair – Keith Dabbs
- Board Member at Large – Bob Hornsby
- Associate Board Member – Sherry Yarbrough
- Associate Board Member – Kit Haefner
- Associate Board Member – Albin Hwang
- Associate Board Member – David North
- Technology Advisor – Scott Venable

COMMITTEE POSITIONS

Rita Antis – Community Committee

Sophie Rutherford – Networking Committee

Kit Haefner – Entertainment Committee

Member Contributions

LOGISTICS & OPERATIONS OF SUPPLY CHAIN

By Thomas McVey, Dir Ops/Log RHS SCM

LOGISTICS & OPERATIONS

- Usage & Utilization
- Stocking strategies
- Throughput
- Lead times
- Receipt and Delivery
- PAR Management
- Inventory Control
- System Analytics
- FIFO
- ROP
- ABC Analysis



THE DARK SIDE

It's May! And many people celebrate May 4. So in honor of our Star Wars fans, I wanted to discuss a different side of Supply Chain. So much of Supply Chain Management focuses on Procurement and Sourcing (aka Contracts and Purchasing). But there is another side to Supply Chain, we'll call it the "dark side" (make sure you read that in your Darth Vader voice). "The dark side" of supply chain consists of distribution, logistics and operations. Yes, all those contracts that have been expertly negotiated... and all those supplies that have been efficiently purchased and paid for... have to make their way to the end user, our customers. And that my friends is where this tale begins.

In a galaxy far, far away (let's say just down the way from the purchasing department) our distribution team is diligently receiving, stocking and delivering supplies for our patients. The padawan and masters of the team manage the stock levels and delivery process with an ease that seems to be controlled by an invisible "force". All puns aside (for now), the truth of the matter is that the distribution process requires a lot of expertise to manage. Lead times, stocking strategies like reorder points and safety stock, usage, utilization...even bin placement based on ABC analysis. All of these are just the foundation to a great distribution team.

But a foundation is only just that, the foundation. Our "empire" requires more than just a foundation. Logistically the operations team must manage routes for delivery, analysis of census, non-stock and stock throughput, and let us

not forget the clinician's PAR locations. Our clinicians need a solid distribution team to provide quality patient care.

Even with the best of procurement and sourcing teams (we'll call them the Skywalkers), the distribution team is the face of supply chain. Yes, the fame and glory goes to the Skywalker's of supply chain. But let us not forget that Darth Vader is a Skywalker. And as the face of supply chain, the operations team is the team in direct contact with our clinicians for driving those successes that allow the "other" side to receive their glory.

So this month as we celebrate Hospital Week (and May 4th), make sure to visit your local "dark side" and express your appreciation!

"Providing clinicians the tools for quality patient care"

Member Contributions

*By: Keith Dabbs, Riverside Health System
Director of Sourcing and Procurement*

Hey Finance! You are part of the supply chain!

According to the Association for Healthcare Resource & Materials Management (AHRMM), there are five elements in the supply chain process: Sourcing, Inventory, Distribution, Utilization and Payment.

In the Sourcing section, your company is evaluating a product, determining a price, creating a contract and ultimately making the purchase.

In the Inventory section, your company is receiving in this product, verifying within your Purchase Order and Item Master file, and then putting it in your inventory, or on your shelf.

In the Distribution section, your company is distributing the product, using storage strategy (size and location of the product), evaluating time and cost to distribute, and determining service levels for the product.

In the Utilization section, your company is using the product, reviewing the utilization of resources, evaluating standardization of the product, and evaluating the method of order entry.

In the Payment section, your company is paying for the product or service and satisfying the accounts.

Finance should have a general understanding of the process in which goods and services are obtained in their company.

For Sourcing and Inventory, most commonly, auditing is an efficient way to verify or confirm that pricing is accurate and reflects both what is in the company's contract and item master file, and what is on the invoice. Here the Controller can learn of potential discrepancies and possible credits owed. Conducting a physical inventory is a proven method for Finance to learn what their assets are in this

category. Establishing a solid physical inventory process will bring together the purchasing, receiving, and invoice payment functions to the point where, when followed stringently throughout the period, the act of performing the inventory becomes more streamlined and efficient. A benefit of the physical inventory process is the opportunity to learn metrics such as carrying costs, inventory turn rates, and inactive/obsolete goods.

For Distribution and Utilization, these are areas where the Controllers' awareness of the supply chain enhances the company's financial performance. Here is where charging for items comes in to play. As goods and services are purchased, not only is it important to capture costs through the accounting process but it is also important to assist the supply chain team with reporting or providing data.

Payment for goods and services is the last link in the supply chain. In an efficient supply chain, a vendor's invoice should match all criteria for rapid payment. The price, description, unit of measure, and quantities should all reflect what was ordered and received. This area is one that gives the Controller an opportunity, through their own data collecting, to work with Sourcing and provide information on the status of invoice payments and the business relationship in general. Through this exchange, now Sourcing has the ability to better negotiate with the incumbent vendor for their goods and services, or explore other vendors. In a sense, starting the supply chain cycle over again.

Specifically, there are several steps Controllers can take to play an effective role in supporting the supply chain.

Establish clearly defined cost centers and expense codes

- Ensure that your departments are aware of new cost centers, or changes to existing
- Review your expense codes for accuracy; update or change if necessary
- Provide routinely generated reports to departments indicating their activity

Be involved in the budget process for your departments

- Proactively send out management reports in anticipation of the budget prep
- Provide a resource person to assist during budget season

Share data and reports

- Work with your departments to determine specialized reports they may utilize in the management of their areas throughout the year

Provide general support

- Encourage meetings with Purchasing to review invoice payment status
- Don't stay in a silo!

Wherever you fit in your Finance department remember that communication, positive relationships and a general understanding of each other's role forges strong links in your companies supply chain.

AHRMM NATIONAL NEWS



VAHRMM earns Bronze Chapter Affiliation with National AHRMM Organization!

Many thanks to the board and members who contributed time and effort to be engaged in the activities required to obtain our recognition!

There are 31 recognized chapter affiliates in the National AHRMM organization.

AHRMM17 CONFERENCE & EXHIBITION

WALTER E. WASHINGTON CONVENTION CENTER

AHRMM17 is the leading education event and the central meeting place for providers, academics, affiliates, and vendors working in all facets of healthcare supply chain.

Join us July 23-26, 2017, in Washington, D.C., to connect with people, and explore the products, technology, and ideas that are advancing healthcare. You can expect four days of insightful keynotes, practical learning labs, vendor presentations on the latest technology and products, and face-to-face networking with the leading supply chain thought leaders.

Message from the President

On behalf of VAHRMM, I would like to thank each one of you for participating in the 2017 VAHRMM Spring Conference. Despite the weather, we were pleased to see so many of you come and participate in the event.

We hope that the conference was all you expected and more. Our success is dependent on your support and commitment and we welcome any feedback (positive or negative) that you are willing to provide regarding this year's conference.

Also, I wanted to remind you of our **2017 VAHRMM Fall Conference that will take place at The Westin Town Center Virginia Beach, Virginia. The dates for this year's conference are October 11-13.** We hope that you will consider joining us again for another awesome event full of education and opportunities for networking with your peers that also includes a vendor exhibition.

To our vendors sponsors supporters, thank you for being part of this event.

Again, thank you for your continued support of VAHRMM.

Sincerely,
Isabel

VAHRMM-President
