

Alturos Ltd Case Study: LeSS Inventory at Bedford Hospital

Bedford Hospital NHS Trust commissioned Alturos to conduct a review of inventory, with the aim of optimising stock holding volumes and values, whilst reducing current stock-outs.

An Alturos specialist involved the stores and warehouse teams, as well as the teams at the various requisition points, to explain what was going to be undertaken and how it would be conducted. Questions and concerns from staff were encouraged and addressed.

Historical data for 8,602 stock lines was analysed using the Alturos LeSS model. This indicated that a little over 4,000 lines were being held at levels appropriate to their respective usage. The analysis indicated that the remaining 4,500+ lines could be optimised, in terms of the stock holding quantities.

A pilot programme was then conducted. This selected a sample of the lines that were overstocked and purged the quantities down to the optimum level calculated. Similarly, a selection of stock lines was adjusted upwards, so that the stockholding avoided costly stock-outs. During the pilot, the selected lines were monitored. At the end of the pilot programme, the selected and adjusted stock lines were jointly reviewed and the pilot was considered a success.

Having gained the confidence of the procurement management, as well as the stores team, the programme was rolled-out over the remaining stock lines.

In summary, the improvements achieved by Alturos were:

- 3,216 line items reduced, releasing £153,113 from working capital;
- 1,338 stock lines increased, avoiding stock-outs by a calculated 10,704 occurrences per year. Stock-outs consume staff time and may involve premium carriage costs. Using a time of 30 additional minutes searching for stock and resolving the absence of stock, this equates to 3 full-time staff members being wasted unnecessarily, every year. Assuming a notional £20 per stock-out, this amounts to over £200,000 per annum;
- Staff morale and confidence towards inventory improved over the course of the programme. Whilst this is anecdotal, based upon a comments form a selection of the staff involved, the finding is intuitively correct.