



COVID-19 and Hospital Supply Chains: Balancing Cost, Quality and Stability

How have the pandemic, evolving regulatory reforms and other forces of change affected Texas Children's Hospital?

COVID-19 showed us who our best partners were. We were thrown into a no-win situation, trying to source supplies that weren't readily available. Seeing which of our partners could directly help us get the supplies we needed or connect us to other organizations that could help us was very enlightening.

The pandemic also put us in a position where we had to forge new partnerships based on the unique challenges we found ourselves in, specifically with regards to transportation competencies. Historically, healthcare organizations outsource third-party logistics and don't deal with ground transportation, freight customs or other importation regulations that may fluctuate. We needed new partners to help us deal with that.

And, finally, the pandemic really made us think differently about how we could provide supplies to our patients and families – that there were different approaches we could take to do that. It put us a little bit outside our comfort zone, but it's what we had to do in order to ensure we had the supplies we needed at the end of the day.

What have been some strategies to help mitigate these challenges and rise above them? What role has technology played in the same?

Unfortunately, since during the height of the pandemic, we were still using an outdated system; it didn't allow us to leverage more modern technologies that would help address the situation at hand. But 2020 ended up being the catalyst for an enterprise resource planning (ERP) transformation for us. Even understanding something as simple as our on-hand position for certain supplies was a challenge during the pandemic.

That said, our team understood data was key from the beginning. We worked hard to become nimbler, making more decisions on the fly using the data we had available. That included getting creative with our finance team to look at what supplies we needed and how quickly those products were typically coming in so we could secure bulk buying ahead of time. We moved to a method of payment upfront, which is extremely new for us and healthcare in general, so we could ensure we could get the supplies we needed.



Eric Swaim

Assistant Director, Procurement Services,
Texas Children's Hospital

In an interview, Eric Swaim, Assistant Director, Procurement Services, at Texas Children's Hospital, discusses how the COVID-19 pandemic has shown the supply chain organization the importance of having the right data on hand to be nimbler.

How do you see provider operations being retooled for resilience and growth going forward?

There will continue to be an emphasis on value, both in terms of supply and service expenses as well as the quality of services we are delivering to our patients. We also need to make sure there's a balance between the cost and quality of care so the math adds up right between revenue and expenses. Traditionally, we've partnered with our clinicians to make that balance happen. But, because of the events of the last 12 months, there is a third variable we need to add to the [hospital resilience] equation: supply chain stability. What is the stability of the supply chain for a specific product or category? At the end of the day, it doesn't matter what the cost is or how good a product may be. If you don't have the confidence you can secure it when it's needed, you have a problem.

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What plans does Texas Children's Hospital have in terms of setting up for success and growth?

We want our ERP and other technologies to be a catalyst for change. We want our access to data to be more readily available so it's easier for our supply chain department to make decisions faster. We want to make sure we have the right tools available so our team can do their jobs better – removing the red tape wherever possible.

In addition to technology, we are also looking at our people and processes so we can find ways to align them to best practices. That will help us stay on top of everything – not so we can fix every problem, because that's impossible – but, with the transparency of information and the collaboration between supply chain and clinical staff, we are in a position where we can solve as many problems as we can.

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