



## Achieving Supply Chain Effectiveness for Women & Infants Hospital of Rhode Island

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Women & Infants Hospital of Rhode Island (WIHRI), a Care New England hospital located in Providence, Rhode Island, is one of the nation's leading specialty hospitals for women and newborns. The primary teaching affiliate of The Warren Alpert Medical School of Brown University for obstetrics, gynecology, and newborn pediatrics, Women & Infants is the ninth largest obstetrical service in the country with more than 9,700 deliveries per year. In 2003, the U.S. Department of Health and Human Services named this hospital and Brown University a National Center of Excellence in Women's Health.

### Challenge

Despite their significant achievements, WIHRI was experiencing challenges with their supply chain - year-to-date (YTD) spending exceeding the budget estimate by over \$600,000. In addition, according to WIHRI staff members, space allocated for supplies was insufficient particularly at the point-of-care (POC). Further, inventory, stocking and ordering activities on inpatient units, the operating suites and the neonatal intensive care unit (NICU) were performed primarily by nursing, not material management, personnel. Finally, a new building to contain one of the largest NICUs in the country was being constructed by WIHRI. There was a pressing need to better manage demand for supplies and capitalize on opportunities to reduce space allocation in the new building.

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## How Tefen Helped

Focusing on the OR suites and the NICU, and working directly with WIHRI staff members, Tefen engaged in an in-depth analysis of the hospital spend data to identify top-spend items, units, vendors, and manufacturers.

As part of the demand management work stream, Tefen:

- Established new lower par levels for top-spend units
- Established an A/B/C inventory management policy
- Implemented a two-bin Kanban system and eliminated automated inventory supply cabinets
- Improved supply order & delivery processes using material management, not clinical personnel
- Standardized supplies (where applicable, for top-spend items)

WIHRI did not have visible supply chain management data. No Key Performance Indicators (KPIs) were set to monitor the supply consumption.

As part of this work stream, Tefen:

- Defined routine KPIs to manage supply consumption
- Performed a gap analysis of current information systems

In preparation for the new building, Tefen defined an optimal distribution and replenishment process for supplies in the new building. This process minimized storage space square footage and capital investment requirements.

## Performance Excellence Delivered

As a result of the work done with Tefen, WIHRI was able to realize savings of approximately \$500,000 in one-time and recurring costs within the hospital. To counterbalance the facility's overextended budget and achieve their desired results, Tefen replaced existing Pyxis supply stations with a two bin "Kanban" signaling inventory management system. The supply consumption units for the new building's space and facility requirements were also defined to keep costs low and efficiency high. With the system implemented, a savings of roughly \$250,000 was achieved.

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## Client Testimonial

*“Tefen deeply impressed us with their knowledge – it was very clear to us that they know the healthcare industry inside and out. Tefen was instrumental in identifying supply chain improvement opportunities and tremendous cost savings potential that we were unable to see and quantify with actual data. They also helped us design and implement the setup processes and trained our team with the necessary tools and methodologies to maintain and replicate these changes at the unit level. Overall, I’m very pleased with the work Tefen did, and would happily recommend this effective, efficient, fun, inspiring, results-driven company to my peers in the healthcare industry.”*

Patrice DiMario, Senior Vice President for patient support services,  
Women & Infants Hospital of Rhode Island

## About Tefen

Tefen is an international management consulting firm, committed to improving overall operational effectiveness for Fortune 500 companies around the world. The firm’s main areas of focus include operations excellence, manufacturing, quality, customer service, research and development and supply chain management. With its “hands-on” approach philosophy, the company has achieved tremendous success in delivering quantifiable and value-driven results for its clients in a variety of industries, including healthcare, life sciences, general manufacturing, high-tech and financial services. All of Tefen’s support programs are ISO 9001 certified. Tefen currently employs over 300 professionals worldwide.

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