

Is it possible to “*turn around the trend*” of an increasing number of medicine backorders* – even at the national level?

*Backorders are orders that are not delivered on-time

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What

In 2014 we developed and applied a LEAN and Supplier Collaboration program, that we named “**TOP6-backorder program**”

It is a close follow-up program with the “TOP6-backorder suppliers” focusing on continuous improvements.

Our “TOP6-backorder program” operates on 3 levels:

- **Weekly selection** of this weeks “TOP6-backorder suppliers”, at LEAN BOARD MEETINGS.
- **Weekly TOP6 mails:** “Today, You have the most critical- or highest number of backorders. Please, explain the supply situation.”
- **Face-to-face meetings** with the suppliers with the poorest level of improvement. Agenda: Supply status and actions to improve.

Why

Globally we are facing an increasing number of medicines shortages, even though international regulatory authorities take initiatives to improve this situation.



In Denmark we have a national medicine set-up where all tenders and orders are collected and centralized. This enables us to create a full overview of medicine backorders to all hospital pharmacies.

Denmark:

- 6 million people
- 180 suppliers
- 50 public hospitals
- 8 hospital pharmacies
- One national set-up for backorders
- One point of contact for backorders

Our national medicine set-up includes one-point-of-contact to all suppliers and to all hospital pharmacies. This makes it possible to act and react with the suppliers, and focus on the backorders at the national level.

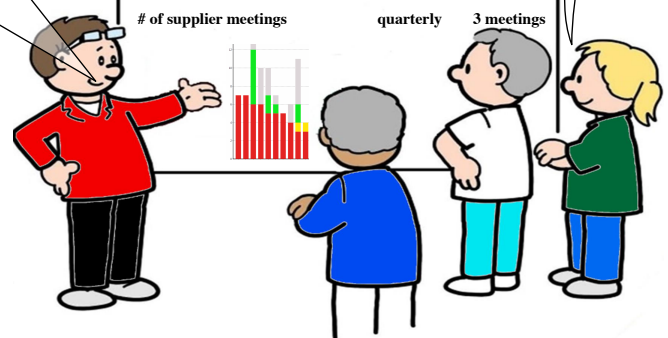
How

- By focusing on the problem and putting it in a framework by developing a program.
- Dedicate the resources.
- Develop **leading KPIs** (Key Performance Indicators).
- Reporting and celebrating improvements.
- Patience, it takes time to create improvements.

Here is this weeks overview of the number of medicine item numbers in backorders per supplier. Let's select the TOP6 for our weekly follow-up

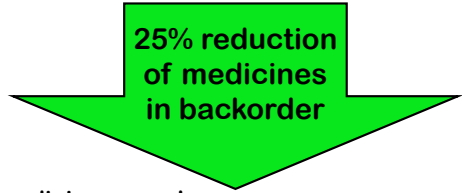
KPI definition:	frequency	KPI target
# of 100% replies from "TOP6"	weekly	6 replies
# of supplier meetings	quarterly	3 meetings

Leading KPIs, help us to focus on influencing the problem and hereby drive continuous improvements



Achieved results

- The number of medicine item numbers in backorder decreased by 25% from Q3 2014 to Q3 2015.
- **Before:** Often the same suppliers who had the most backorders. **Now:** +30 suppliers have been in our TOP6 scope.
- Number of long backorders decreased. Now >60% of all backorders last <14 days.
- Improved collaboration with the suppliers helps to solve and prevent problems.



Next

- Start an international network group to share best practices regarding improvements in medicines supply
- Let's team up, get started and together achieve further improvements on medicines supply to hospital pharmacies.
- Are your job to improve supply to hospital pharmacies and do you want to share experiences – please join our **LinkedIn group:** “Supply Chain Management for Hospital Pharmacies” or send an **e-mail** to “amgros@amgros.dk” att.: Lars Munck
- Come and hear more at **EAHP 2016: Oral presentation on the 17th of March, 12:00 to 13:30 in Hall 0.93**