

Getting the Most Value

WORKING IN PARTNERSHIP FOR GLOVE STANDARDIZATION

The year is 1985. Your hospital's glove budget is predictable and controllable. Glove expenditures increase slightly below surgery and admission rates.

Fast-forward to the year 1987. Demand for gloves has skyrocketed due to the fear of AIDS and other bloodborne pathogens. Glove shortages occur as demand escalates. Health care workers wear whatever type of gloves they can find.

Now fast-forward again to 1992. Occupational Health and Safety Administration (OSHA) guidelines and universal precautions have been published. Your organization's glove budget drastically increases while clinicians wear gloves that may or may not be the best value.

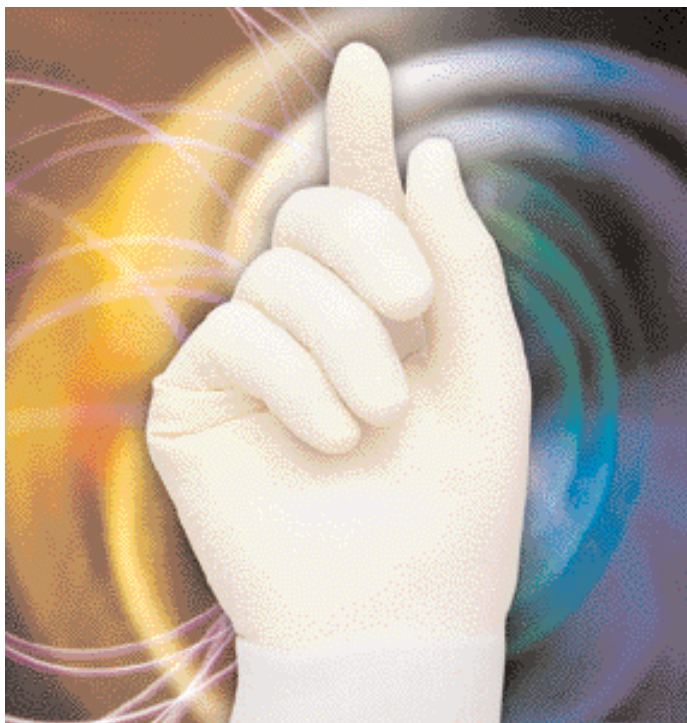
Pinpointing Where the Money Goes

Today, infection control practitioners are working to help choose and manage the most protective and cost-effective mix of gloves for their institutions, balancing clinical requirements with cost-management efforts. A complicating factor is the wide variety of gloves offered by many vendors. How do you determine which ones are the most appropriate for the task? How can you help assure that each clinician gets the proper glove for his or her particular needs? What is the cost of these selections? How do you know you're getting the best value?

To answer these questions effectively, you need to know who you're buying your gloves from and what they can do for your organization beyond simply providing a product. For example, ask your vendor if they have a comprehensive program for medical glove standardization and utilization that can be tailored to meet your specific needs. Some suppliers have programs that can analyze exactly how and where you are spending your glove dollars by examining utilization patterns and providing industry benchmarks for comparisons. The supplier then works with you to design a plan for optimal glove choices, standardizing your glove usage by defining the appropriate gloves by clinical procedure and job function. For example, Allegiance Healthcare Corp.'s The Right Choice Glove Management Program features an online selection guide that builds custom reports with glove recommendations for each surgical and examination procedure.

A glove standardization program's objectives should include:

- ◆ Establishing gloving options that improve worker safety and/or patient care.
- ◆ Identifying the recommended glove by specific procedure.
- ◆ Establishing gloving options that reduce a medical center's hand-covering costs.
- ◆ Establishing educational programs that can be administered and reviewed by hospital management.
- ◆ Creating a review system that a medical center can use to verify and track savings.



Photos courtesy of Allegiance Healthcare Corp.

Your supplier works with you to standardize your glove usage by defining the right glove for the right reason.

for Your Glove Dollars:

By DEBORAH DAVIS

Issues that this program should address include:

- ◆ Proper utilization (e.g., using the right glove for the right reason).
- ◆ Cost of noncompliance (e.g., OSHA).
- ◆ Benefits of vendor standardization (e.g., streamlining ordering and invoicing; inventory reduction and control; transport, storage, quality and service).
- ◆ Increased worker and patient safety and satisfaction.
- ◆ Establishment of a template for other product standardization initiatives.

Lessons Learned from Total Quality Management

A working relationship of trust and commitment between the supplier and you, the customer, must be established for a program such as this to be successful. The notion of working in partnership with a key supplier is grounded in the tenets of Total Quality Management (TQM). TQM, also known as Continuous Quality Improvement (CQI) or however your organization chooses to designate it, is a proactive approach that minimizes the potential for future errors as opposed to focusing on the resolution of problems after they have occurred.¹ In other words, quality is crafted into the product or service. Organizations committed to quality continuously improve performance to better meet customer needs. It is in your best interest to do business with this type of organization. Suppliers who demonstrate an interest in helping customers meet their requirements and who deliver a workable plan for strengthening operations in the customer's site can develop long-term relationships that are beneficial for both parties.

Awarding business on the basis of quality in addition to price is managing for success. It leads to single sourcing, which results in incoming materials of a higher quality. It is not uncommon for purchasers to buy from multiple sources. Many buyer-supplier relationships are based on the belief that to prevent disastrous interruptions of supplies, buyers must maintain many suppliers for each item. There are reasons for this behavior:

- ◆ Vendors may experience interruptions in business (e.g., strikes, fire, explosions or bankruptcy). Such



Choosing the right glove supplier and partner will help you effectively balance clinical needs with cost-management efforts.

interruptions and downtime may result in the failure to meet promised delivery schedules.

- ◆ Vendors may be unable to supply the required volume due to inventory shortages.
- ◆ Some vendors do not possess the technology or patents required to provide products.

Despite the potential problems, it is still more cost-effective to purchase from fewer suppliers—ideally one versus many. When a supplier has a better understanding of the customer's requirements because of a close working relationship, quality goes up. Because of the opportunity to develop a closer relationship, the supplier has a better idea of the required volume and can plan ahead, making it possible to meet customers' needs. Problems are decreased because the relationship is streamlined. It is easier and less expensive to deal with and work with a few suppliers rather than with many. The investment in working very closely with a few suppliers results in better service, greater value and lower costs.



Your glove standardization partner should conduct education for your staff on appropriate gloving protocols and proper hand care techniques.

A Single Source Relationship Benefits All Parties

From the customer's perspective, a single-source relationship reduces administrative costs, permits more time to be spent on product and process improvement activities rather than administration and "firefighting" and allows work with suppliers to be directed toward continuous improvement. The opportunity to establish long-term relationships promotes a sense of confidence, allowing both partners to make decisions in favor of their future interests. The partners can benefit in the following ways:

- ◆ Reduction of risk and fear, making it possible to invest resources in improving quality and reducing total costs.
- ◆ Elimination of adversarial feelings and a fostering of more open communication through the evolution of a common language and of an understanding that results from a business partnership operating with more complete information.
- ◆ Clear identification of requirements pertaining to products and services.
- ◆ Removal of obstacles to complete the job, with continuous improvement as a goal.
- ◆ Better planning, which results in more efficient and cost-effective handling of inventory and orders.

The supplier achieves a competitive advantage by establishing a partnership built on trust, loyalty and commitment. This encourages open communication, making customer requirements clearer and easier to meet. The customer becomes less costly to service, resulting in a higher profitability and allowing the supplier to provide a better value to the customer over time. In return, the customer can reduce costs, improve performance and achieve a better purchasing position with their supplier. It's a win-win situation for all parties involved.

The single-source supplier relationship yields benefits to both partners by creating a more effective environment for working together toward improving quality and decreasing total cost. W. Edwards Deming, a renowned consultant on

quality and statistical methods, developed the fundamental principles of the successful continuous improvement processes in action today. One of his key points states that single sourcing reduces the variation coming to the customer's processes.² It allows the customer to identify and work to reduce or remove the effects of variation in their processes. The supplier gains greater sales volumes and has an increased opportunity to refine and improve the process when a long-term relationship between the customer and the supplier is built. Economic interdependence of a customer and a single supplier both encourages and requires swift and cooperative problem solving.

Multiple sourcing promotes arm's-length relationships between supplier and buyer, which is exactly contrary to what is required for quality. Multiple sourcing also creates an adversarial, short-term, price-dependent and inflexible relationship between buyer and seller.

Organizations pay a high price for multiple sourcing. These costs include:

- ◆ Increased paperwork.
- ◆ Increased telephone expense and time.
- ◆ Loss of volume discounts.
- ◆ Increased inventory costs.
- ◆ Increased variation in incoming quality characteristics because of vendor-to-vendor variation.

Will Using One Key Supplier Work for You?

Take this self-test to evaluate if your organization is ready to work in partnership for glove standardization:

	YES	NO
Does your organization wish to reduce its total hand-covering costs?		
Is your organization willing to change its behavior?		
Does your organization use a wide variety of glove types from many vendors?		
Does your organization understand the value of working with one key supplier?		
Is your organization willing to form a partnership based on commitment and trust?		
Does your organization wish to align common incentives with a key supplier?		
Is your organization willing to share information on past glove usage with a key supplier?		
Is your organization willing to commit to a long-term agreement (e.g., 5 years)?		

Opportunities for Improved Glove Utilization and Standardization: A Few Common Findings

- ◆ Sterile surgical gloves are being used for non-sterile procedures instead of non-sterile professional or exam gloves.
- ◆ Sterile sensitive-skin gloves are being utilized unnecessarily instead of regular surgical gloves.
- ◆ Poor regular surgical glove quality is leading to increased long-term specialty glove use.
- ◆ Purchasing gloves from many different vendors is contributing to suboptimal pricing.
- ◆ The lack of a hospital-wide allergy recognition protocol is resulting in increased specialty glove use.

Systems Based on Proven Methods and Practices

The glove management program cycle reflects a continuous improvement cycle (Figure 1). The process begins by analyzing your current glove usage patterns and quantifying your needs. Next, a plan is designed specifically for clinical and nonclinical needs. At this stage, glove usage begins standardization by defining the appropriate gloves by procedure and job function. The Right Choice Glove Management Program, for example, has an Internet-based cross-reference tool that matches an Allegiance glove to the manufacturer's glove you are currently using.

Your supplier helps you in rolling out and managing your standardized glove program to ensure effective implementation and integration. The supplier also should conduct seminars to instruct staff on appropriate gloving protocols and proper hand care techniques.

The implementation is completed with a review to quantify and document cost savings of your glove utilization program. Some suppliers can provide continuing support on glove management issues through regular technical and clinical publications, seminars, ongoing communications and online resources. Consider all the resources a supplier has available to assist you. The supplier you choose to partner with should have an interactive content page available

through their Internet home page. Technical specifications, data and test results can be found throughout this online technical database.

Gloves are the single most important product purchased to protect your clinicians and their patients. In fact, your hospital may use gloves more than any other supply. When you consider all the hands you need to cover and all your glove choices, choosing the right gloves for the right reasons can be a complex decision. Choosing the right supplier and partner will help you balance your needs and your costs, resulting in the greatest value for your glove dollars. ■

Figure 1. The Glove Management Program Cycle

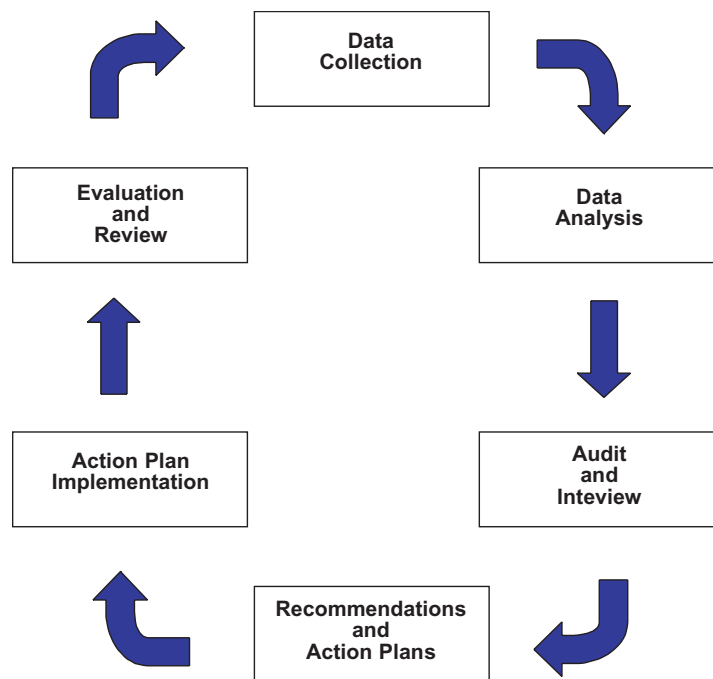


Illustration courtesy of Allegiance Healthcare Corp.

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2. Neave, H., "The Deming Dimension," SPC Press, Knoxville, 1990.