THE IMPACT OF BAD ITEM MASTERS

VALUE ANALYSIS EXPERT

POWER SUPPLY

Stephen B. Kinsella | President
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Power Supply Value Analysis Expert™:

The Impact of Bad Item Masters

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Item masters are essential and when managed poorly, they can create a lack of trust, bad data, and result in poor decision-making. This can cause missed opportunities and waste. Yet they persist. It's not about cleansing data, but rather KEEPING the data clean.

Typically, there is front-end recognition of a significant data quality issue, whether it's initiated by an ERP upgrade/migration or a leadership revelation that something must be done about data quality. From that point, there should be a 360-degree solution focus that includes both a front-end data cleanse AND a back-end sustainable process for keeping the data clean.

Here's a simple, practical roadmap to follow:

Cleanse high-impact items first:
- Identify items with the highest frequency of PO data transaction rejections.
- Triangulate line-item data with your MedSurg distributor
- Work with your supply-intensive departments to focus on top suppliers.

Resolve and repair: Review and repair all UOM (unit of measure) and packaging/conversion factor issues.

De-duplicate: Identify items in your item master that are identical and phase out duplicates.

Standardize, Categorize, and Enrich: Develop a standard nomenclature and item description template collaboratively with your clinical stakeholders. Categorize your item master and enrich it with other key data elements such as GTINs and HCPCS codes. This will help us better analyze purchasing trends.

Here is one simple data analysis project that you can do this week to improve your item master quality. Start by analyzing your MedSurg distributor purchases and compare UOMs and packaging between both systems. How many of these items do not match EXACTLY?

Industry studies document that it's 10 times cheaper to clean and fix data issues on the front end than deal with the repercussions downstream.

The immediate ROI is measured in one simple metric: TIME. Inefficiencies traced back to bad data can be measured in time lost by end users, supply chain professionals, and other stakeholders who must "fix the issue(s)…. over and over again.

Power Supply Value Analysis Expert™ Biography:
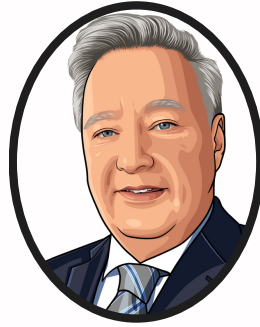
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Stephen B. Kinsella is the founder and principal of Data Leverage Group, LLC. He is a supply chain management professional with over 20 years of experience in the healthcare supply chain. As President of DLG, Steve is responsible for the strategic direction of DLG. He is also responsible for all business development and strategic partnerships. In the past, Steve has helped many healthcare organizations to assess and identify non-labor savings opportunities, from operational redesign and improvement projects to extensive supply cost reduction. His focus has been to identify quantitative, data driven opportunities for savings and improvements that support quick implementation by working closely with supply chain and value analysis teams.

For all your value analysis questions, you can contact Stephen at skinsella@dataleveragegroup.com or visit the DLG team at dataleveragegroup.com

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