

Degree in Management

# **Integrated Operations Management**

Process Flow Mapping

Case study  
Holy Ghost Hospital

**2013/2014**

## **Holy Ghost Hospital**

The Holy Ghost Hospital is a public company aimed at providing health care services to the surrounding population. The hospital has to fulfil a dual goal of minimizing costs and maximizing the quality of the health care services it provides.

One of the several topics used to analyse quality of the service is product availability. Although availability is very relevant in health care, expiry dates are sometimes short and the cost of the product is high.

There are several different ways to purchase the necessary materials. One of them is the centralized public purchase, which involves choosing the supplier for each specific item in advance, based on quality of the product required and cost involved. According to this purchasing method, once the supplier is identified, the hospitals only have to send the order with the required quantity to that previously identified supplier and there is no need to analyse costs as these were also defined centrally and previously.

At the Holy Ghost Hospital the purchasing process for materials that follow a centralized public purchase starts with a request, from the Pharmaceutical Department, to the information system so that a list of products in need is generated. Once this list is produced by the pharmaceutical information system, it is taken to the desk of the head of the pharmacy department for analysis. Here the products in need are compared to the centralized list of suppliers so that these are identified.

Once the supplier for each product is identified, a purchasing request is issued and then sent, physically, to the Purchasing Department. Once the document is received by the Purchasing Department, another physical document is produced, which includes the price, the specific supplier (if more than one are allowed to that specific product), the contract number, and the number of units per box. Once all data is reunited, the purchasing request is introduced into the purchasing information system and will from this point forward be called purchasing order.

The purchasing order is then printed and physically sent to the Head of the Purchasing Department for confirmation. Once confirmation is received from the Head of the Purchasing Department, the document is moved to a regular meeting room where waits for an Administrator's approval.

Once approval is received, the document is again transported to a clerk at the Purchasing Department who sends the purchasing order to the supplier by fax, and a copy of it to the Pharmaceutical Department. From this moment on the hospital awaits the arrival of the products.

Once the product arrives, the Pharmaceutical Department verifies it against a copy of the purchasing order and the bill issued by the supplier. The concerning data is then introduced into the pharmaceutical information system.

On the following morning the bill is sent to the Purchasing Department where the corresponding data is again introduced into the purchasing information system and then physically sent to Accounting for payment.

Source: Adapted from Bendito, S., 2009, *Aplicação Do Lean Management Ao Processo De Aquisição De Produtos Farmacêuticos – Um Caso De Estudo*, Master Thesis, ISCTE.

### **Questions**

- 1) Draw the diagram of the process, using a process flow chart.
- 2) Compute the percentage of operations, movements, inspections, waiting and storage. Comment the results.