WHERE THE ART AND SCIENCE OF SUPPLY CHAIN OPTIMIZATION MEET
Ron Denton became a well-known healthcare supply chain leader with his years of experience, and collaboration as well as his instinct and innovation to transform supply chain organizations from good to great. Over the years, Ron has embodied values such as integrity, diversity, professionalism, collaboration, and humility and has supported his clients to reduce expenses, enhance operations, and proactively plan for the future by connecting people, companies, and solutions. Having previously served in numerous leadership roles—including being an entrepreneur—he brought to bear his foresight and diligence to orchestrate the alignment of supply chain experts with healthcare supply chain needs. In 2014, Ron partnered with key supply chain leaders to establish Ron Denton & Associates, LLC (RDA). Driven by a sustainable ‘teach to fish’ philosophy, RDA reflects the values that Ron envisioned years ago. Since RDA’s inception, the company has helped the healthcare supply chain industry evolve and proactively transform to overcome industry challenges.

Providers, distributors, manufacturers, and suppliers are facing increasing costs and growing pressure to deliver increased value to patients and clients with less expense and less resources. Against this backdrop, supply chain has emerged as one of the critical areas where organizations can reduce expense and waste. However, to achieve results at the industry pace demanded, outside supply chain experts and innovative solutions are needed to optimize the complex and fragmented supply chain function. With the involvement of different parties that include manufacturers, insurance firms, hospitals,

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providers, group purchasing organizations (GPOs), and several regulatory agencies, and with each stakeholder having different views of the right medical product or service, the healthcare supply chain becomes a labyrinth.

As part of its core philosophy, RDA combines knowledge, experience, and technology to help its clients improve quality and reduce expenses across the end-to-end supply chain functions - spanning vendor selection, contracting, procurement, inventory, warehousing/distribution, logistics, and operations. The company not only identifies the fundamental factors that are critical to supply chain performance but also designs and provides experienced resources to implement needed solutions. Specifically, RDA’s clients achieve increased clinical satisfaction, reduced non-labor expenses, reduced inventory, optimized space, standardized and streamlined operations, and sustainable results. “We consistently deliver these benefits to our clients using a proven approach across our Performance Improvement, proprietary cloud-based inventory and space optimization solution—Demand Logic™, and Interim Management,” states Ron, founder and CEO of RDA.

**Conquering Challenges through Performance Improvement**

Organizations are hard-pressed to find talented resources to fill their project requirements in a short timeframe. RDA has a unique business model that has managing partners who leverage a network of highly-skilled subject matter experts (SMEs), with a minimum of 20 years of healthcare supply chain experience, to address its client’s needs. RDA utilizes these experienced SMEs to form Rapid Response Teams (RRT) as part of its Performance Improvement services. The RRTs are formed uniquely for each RDA client and are given a goal based on the client’s specific needs. Each RRT is led by an RDA Managing Partner to implement results at a rapid pace that doesn’t sacrifice sustainability. While other service providers are limited to identifying the problem areas, RDA goes a step farther to implement needed solutions rapidly.

RDA has developed over 30 supply chain best practices and guidelines that are used as needed to educate client’s staff. RDA’s best practices and guidelines cover the key supply chain elements revolving around data management, value analysis, contracting, procurement, inventory, warehousing/distribution, logistics, and operations. Some of the aspects covered under these categories are: vendor/item master file maintenance, value analysis and strategic governance, integrating procurement and AP interactions, contract management maximization, GPO analysis, inventory management optimization, logistics optimization, and warehouse/storeroom efficiencies.

At the onset of a client engagement, RDA creates a RRT by matching experienced resources to client’s unique requirements in the areas of project management, expense reduction, operations standardization, or process redesign. RDA then collaboratively develops an understanding of the goals and key milestones to be achieved. In order to measure progress and success, a performance baseline is jointly established with an aim to implement quick hits. As part of the project or transformation, communication at all levels in the organization is critical. RDA utilizes a customized communication matrix to plan for robust interactions and exchange of ideas, so clients have can achieve quick resolution as well as share progress at various levels in the organization.

“We value our client’s success and usability of the processes we implement, so efficiency and collaboration are integral to our approach,” says Angie A. Haggard, a seasoned healthcare supply chain professional who joined RDA as COO in 2018. Angie highlights the fact that supply chain is a primary driver for cost, quality, and outcomes, which is influenced by a variety of intrinsic and extrinsic factors such as suppliers, contracts, logistics, inventory and operations. For example, complex contracts can take about three to six months to negotiate. As an antidote to this problem, instead of conducting contract negotiations in a typical manner, RDA utilizes a condensed collaboration negotiation strategy to reduce the average three-month negotiation process into a 1-2 day event. By using RDA’s approach, clients reduce their time, resources, and expenses required to achieve results faster. “We have achieved millions of dollars in savings for our clients across the U.S. by implementing 10 percent-20 percent expense reductions and streamlining operations,” she adds. For one client, RDA developed an ongoing contract compliance process for an eight-hospital system for local and GPO contracts. This project resulted in $12.9 million in implemented savings in a single year. The client also decreased rental equipment cost by $100,000 and developed a unique process to reduce the number of off-contract purchases by 14 percent.

To ensure reduced waste, optimize inventory, and improve clinical satisfaction for longer periods, however, it pays to have an automated technology tool that can streamline supply chain
workflow and maximize insights generation from unexplored data. This is where RDA’s Demand Logic™ solution comes into play.

**Demand Logic™ unifies predictive analytics with lean process re-engineering to decrease supply and labor costs while optimizing inventory and space**

**Optimizing Inventory and Space Using Game-Changing Technology**

Fundamentally, Demand Logic™ simplifies and automates inventory and space optimization by applying a client specific profile against inventory/space management rules and calculations in a user friendly cloud based tool. It unifies predictive analytics with lean process re-engineering to decrease supply and labor costs while optimizing inventory and space. Improved quality of care through reduced stock-outs allows clinicians to focus more on patient care. Demand Logic™ compliments existing MMIS ordering platforms, point-of-use systems, EHR, and WMS to work with a large pool of data for maximum insights. The data is used to analyze, implement, and sustain inventory management programs in minutes versus months. As part of the implementation, RDA provides implementation resources as needed and trains users on lean process re-engineering. Demand Logic™ has reduced client’s annual expenses up to 20 percent and labor by 40 percent. On average, RDA clients can achieve an ROI in 12 months. In addition to optimizing inventory and workflow and maximizing space, clients gain increased service quality and patient satisfaction.

“In one instance, an academic medical center with 82 Periodic Automatic Replenishment (PAR) locations, 700 nurse servers, and 40 full-time equivalents (FTEs) leveraged Demand Logic™ to solve their operational challenges,” says Angie. The client achieved huge benefits. “Product availability went up by 43 percent, and about 25 percent of the inventory was reduced, materials labor savings were in the order of $1 million, and clinical time savings were up to $600,000,” she adds. These gains were because of the improved performance in the areas of stock-out reduction and replenishment line reduction.

**Best-of-Breed Leadership for Critical Projects**

While hospitals and suppliers can ensure the implementation of innovative and efficient processes, metrics, technologies, and workflows, a winning momentum often turns into a bumpy ride when a key senior-level position becomes vacant. They look for an able partner to curtail the undesired effects of empty supply chain leadership positions such as VP, Director, or Manager. Through its Interim Management services, RDA provides experienced supply chain executives who can work across all levels of an organization and contribute immediately by understanding the overall organizational goals and making apt decisions for continuous improvements. These individuals devise best practices, provide coaching and mentoring, and hands-on training to advance organizational development and performance, allowing clients to achieve their safety and compliance objectives.

RDA follows the same principle of matching the individuals against the skill set required for the designated role. The interim leaders assess the operations for improvement opportunities while managing the client’s day-to-day supply chain functions. They initiate key strategic programs and conduct training sessions (e.g. value analysis, vendor selection, etc.). They also mentor or coach new staff on supply chain practices and operations. One of RDA’s clients needed a Value Analysis Director and RDA provided a highly qualified asset who led the client’s Value Analysis teams to save millions over 12 months.

As a majority women’s owned business, RDA plans to continue focusing on its three service lines: Performance Improvement (including Rapid Response Teams), Interim Management, and Demand Logic™. The company is excited about the upcoming version of its cloud-based solution, Demand Logic™ 2.0, which is already creating a buzz in the market. In late 2020, “We are going to launch a supply chain operation scorecard on our website, which can be accessed by anyone at no cost.” An individual has to answer a few high-level questions to assess how they fare against RDA’s best practices in managing supply chain operations. “Our future will be centered on building new relationships and trust,” concludes Ron.
The drive to promote value-based healthcare is gradually impacting the supply chain sector, fueling investments in emerging technology. Driven by the need for delivering quality care at affordable cost, healthcare organizations are seeking to capture precise and comprehensive data by leveraging robust technological solutions.

As healthcare systems develop programs to address the social determinants to health, the supply chain will bolster the efforts in promoting primary and secondary prevention. The primary objective of supply chain management is ensuring end-to-end visibility of information among suppliers, manufacturers, distributors, and customers, which will enable them to identify the pain points and streamline the entire process. Further, the incorporation of RFID, supply utilization management, and virtual centralization will bring enhanced visibility and accuracy into the supply chain operations. Equipped with robust solutions, healthcare organizations can enhance the level of cooperation and control costs more effectively.

Motivated by the innovative trends transforming the industry, this issue of Healthcare Tech Outlook is elaborately crafted to assist you in fostering productive partnerships and improving the performance of healthcare supply chains. In this edition, we have compiled a list of Top 10 Supply Chain Management Consulting/Service Companies 2019 to highlight the companies making significant contributions to the healthcare sector in 2019. Armed with robust and innovative technological capabilities, the featured service providers are set to revolutionize the healthcare landscape. This edition also blends thought leadership, from subject-matter experts with real-life stories, on what selected vendors are doing for their clients, including exclusive insights from CIOs and CXOs. We hope it brings enhanced innovation and growth in your organizations.

We present to you Healthcare Tech Outlook, “Top 10 Supply Chain Management Consulting/Service Companies - 2019.”

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**Company:** Ron Denton & Associates, LLC  
**Description:** Proven healthcare supply chain performance improvement, inventory and space optimization and interim management solutions company

**Key Person:** Ron Denton, Founder and CEO  
Angie A. Haggard, Chief Operating Officer

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