Saskatoon Health Region

Success Story

Healthcare

LEXMARK

SUMMARY

Saskatoon Health Region cuts 400 printers, streamlines operations and procures life cycle fleet management from Lexmark in an effort to reduce costs.

Saskatoon Health Region saves $1 million over five years with devices and distributed fleet management services from Lexmark

The Organization

Encompassing three urban and seven rural hospitals, the Saskatoon Health Region (SHR) is the largest employer in Saskatchewan, with a staff of nearly 12,000. During its fiscal 2006-2007 year, SHR performed more than 33,000 surgeries, logged nearly 150,000 emergency room visits and completed eight million diagnostic tests. In 2007, $6.4 million was allocated toward the acquisition of anesthesia and dialysis machines as well as significant new medical imaging equipment.

SHR is an integrated health service agency providing a comprehensive range of hospital, long-term care, public health, mental health, and addiction services, along with community-based and home care services. SHR is paving the way to leverage the power of technology to reduce costs and improve patient care.

The Challenge

Hospitals and healthcare providers, regardless of size or location, are facing budget constraints at a time when expenses and the cost of providing patient services continue to escalate. One way of dealing with this fiscal squeeze is to streamline certain business operations with the dual goals of reducing administrative overhead while striving to enhance worker productivity. At SHR, a clear target for this strategy was the organization's fleet of 1,150 output devices.

"One of our goals was the standardization of our output technology platform," said Terry Neefs, SHR's Chief Information Officer. "We had products from many vendors including a large percentage from Lexmark since we were a self maintainer, but the differing management requirements for each vendor's products had become a drain on IT resources and greatly complicated support." Many of those devices included single-function copiers and fax machines that required separate inventories of toner cartridges and separate maintenance agreements.

"Many of our employees wanted to keep personal devices even though the cost of operation was very high. A significant leverage Lexmark brought to the table was changing people's mindsets by sharing customer successes in comparable environments where similar device consolidations had been implemented."

Saskatoon Health Region

–Terry Neefs
Chief Information Officer
Saskatoon Health Region
Saskatoon, Saskatchewan, Canada
www.saskatoonhealthregion.ca

In addition to refreshing its hardware fleet, SHR also hoped to slash the number of devices it operated by replacing employees' personal desktop laser and inkjet printers with strategically located departmental laser printers and multifunction printers (MFPs).

As a provider of world-class healthcare services, SHR also wanted to get out of the business of overseeing the day-to-day operation, management and maintenance of its output devices, in order to focus on other IT priorities. To do so, SHR required more than a hardware manufacturer. It sought out a partner that could supply the complete life cycle of products, and handle the installation and day-to-day management and maintenance of the entire fleet.

> "The implementation was smooth throughout the organization and I attribute that to Lexmark's understanding of how to work with our users and IT staff, and with our local IT reseller. Change management at the enterprise level is always a huge challenge and Lexmark's expertise in this area was a key success factor."
>
> –Terry Neefs

The Solution

To tackle SHR's output management challenges, Lexmark healthcare industry specialists analyzed the hospital's operations and document workflow. Working with SHR IT staff, Lexmark devised a phased approach to consolidate and standardize its devices and implement a managed services program. Phase one addressed hardware. Phase two addressed the management of the fleet. Future phases will look at reducing SHR's paper consumption, which approaches 24 million sheets annually, and its document workflow processes, including replacement of paper forms with electronic counterparts.

A crucial factor in assuring a successful fleet transition was to make the process unobtrusive to users. Coordinating the logistics to assure full coverage of SHR's facilities, several larger than one million square feet, was paramount.

To cut device headcount, SHR retired many of its standalone copiers and fax machines, replacing them with Lexmark MFPs. With a high-quality business-class monochrome or color laser printer at its core, Lexmark MFP technology seamlessly integrates a printer, an auto-feed document scanner, copier, and network fax into a single space-saving unit. Consolidating devices around a single vendor and a common technology platform allowed SHR to vastly reduce its on-hand toner cartridge inventory and to cover all of its new devices under one economical maintenance agreement.

Deployment at most large organizations often occurs over a period of many months, as old machines are rolled out and new ones installed. SHR chose a different strategy, opting to replace all devices throughout the enterprise in a very short time span. "To speed the deployment, we took five years of operational budget dollars and consolidated that funding," said Neefs. "We were able to quickly refresh the entire fleet without asking for one additional penny of capital spending."

The biggest change for SHR medical and administrative staff was not technical, but cultural as the removal of personal printers necessitated changes in printing, copying and faxing habits. "Many of our employees wanted to keep personal devices even though the cost of operation was very high," said Neefs. "A significant leverage Lexmark brought to the table was changing people's mindsets by sharing customer successes in comparable environments where similar device consolidations had been implemented."

However the biggest change management impact came from the SHR project team that launched an innovative internal marketing and advertising campaign 10 weeks prior to the implementation in order to communicate and sell the project benefits to its end user community. This group branded the project as the Regional Output Management Solution (ROMS) and generated excitement about the program with the theme, "The Evolution of Healthy Printing." The team evangelized the program to senior leadership and nurse managers through a series of internal meetings to educate and gain buy in from them before the implementation began. In addition, the SHR team created an intranet web site to update staff on the progress of the project and used cafeteria locations for posters and table cards to educate the general employee population.

Lexmark installed all new printers and driver software, and de-installed and removed units that were being retired. "The implementation was smooth throughout the organization and I attribute that to Lexmark's understanding of how to work with our users and IT staff, and with our local IT reseller," said Neefs. "Change management at the enterprise level is always a huge challenge and Lexmark's expertise in this area was a key success factor."

To free up its IT resources to focus on other IT projects, SHR opted to supplement the product warrantees by procuring ongoing support for its new printer fleet from Lexmark. Lexmark Distributed Fleet Management

(DFM) services provides comprehensive fleet reporting and management services that enables SHR to better understand usage patterns, control and redeploy output assets, and ultimately drive down output costs. In addition, the tools provided by Lexmark within the DFM contract can be used to track the physical location of every printer, create an alert when a printer is removed from the network, continually monitor the status of each device, and even trigger automatic ordering of a new genuine Lexmark toner cartridge when a low-toner alert is detected.

> "We have experienced annual savings in excess of $200,000 – double our original estimates – or $1 million over five years. The better news is that rather than reallocating those savings elsewhere in the system, we've been given the authority to reinvest them in other high-demand technology areas."
>
> –Terry Neefs

The Results

By removing employees' personal printers, mostly expensive-to-operate inkjets, along with dozens of copiers and fax machines, and installing Lexmark MFPs, SHR was able to slash its output fleet from 1,150 devices to just 750, a reduction of 35 percent. The return on investment has been immediate and substantial.

"We have experienced annual savings in excess of $200,000 – double our original estimates – or $1 million over five years," said Neefs. "The better news is that rather than reallocating those savings elsewhere in the system, we've been given the authority to reinvest them in other high-demand technology areas. This is a welcome cultural management shift for the Canadian healthcare industry, which is considered to be the last frontier for technology," he said.

By procuring day-to-day maintenance from Lexmark under the DFM program, SHR has freed up the equivalent of nearly two full-time IT staffers, allowing their efforts to be redirected toward more critical projects directly related to core administrative and clinical operations. "The technical support we receive from Lexmark and the local service provider is completely transparent to our organization," said Neefs. "We don't even need to think about output management any more."

With device deployment complete, SHR is now focusing on major workflow enhancements, including replacement of paper forms with print-on-demand electronic versions with potential solutions being considered such as using the Lexmark MFPs to relay prescription orders from nurses' stations to the on-site pharmacies, and printing full-color patient ID photo wristbands on tear-resistant media as part of the admissions process. With the technology groundwork in place, projects like these can now move forward, with the likelihood of significant more cost savings for SHR.

Although SHR previously used mostly Lexmark hardware and was a certified repair depot, SHR did consider hardware from other manufacturers. "Lexmark was already very well engaged from a technical and business partner perspective and had an excellent track record," said Neefs. "As a result, Lexmark was well positioned and fully prepared to delve into the daily operational intricacies of a major healthcare facility and develop actual workflow solutions which is both unique and innovative."

"Of all our technology vendor relationships, we consider Lexmark to be one of only several full partners in our operations – an extension of our business," said Neefs. "Lexmark's deep understanding of our operations is unique. The ongoing support we receive is proactive and thorough. Our Lexmark representatives are always ready to suggest other opportunities where we can streamline operations that ultimately improve patient care and save money."

The mission of Saskatoon Health Region, like other major medical facilities, is to provide world-class healthcare to citizens of the surrounding geographic area. By saving $1 million over five years, freeing up IT resources for business-related projects and procuring full life cycle product and services from Lexmark, SHR is positioning itself to fulfill its mission of improving patient care and healthcare sustainability. Lexmark technology, solutions and services have helped make that possible.

Lexmark and Lexmark with diamond design are trademarks of Lexmark International, Inc. registered in the United States and/or other countries. All other trademarks are the property of their respective owners. ©2008 Lexmark International, Inc. 740 W. New Circle Rd., Lexington, KY 40550

SS0820

LEXMARK