The Only Constant is Change: Four Reasons to Prioritize Agility in Healthcare

Healthcare stands at a pivotal crossroads. The landscape is shifting from a traditional focus on treating diseases to a more holistic approach. As Conrad S. Emmerich, Chief Procurement Officer of Advocate Health recently highlighted in a <u>webinar</u>, "Healthcare is transforming to keeping people healthy rather than treating disease." At the same time, advances in technology, changing patient expectations, and the ongoing migration of care settings are fundamentally changing where and how care is provided.

As we imagine what healthcare will look like 15 years from now, one thing is clear: the only constant is change.

The ability to adapt swiftly and effectively is no longer a luxury—it's a necessity. Agility is not just a buzzword; it is the backbone of a resilient, efficient, and patient-centered healthcare organization. Every aspect of a healthcare organization must enable agility, including support functions like logistics.

Here are four compelling reasons why agility should be at the forefront of every healthcare organization's strategy:

1. Scalability to Support Growth

As mergers and acquisitions (M&A) continue to reshape the healthcare industry, an agile system is essential for scaling to support growth. Whether it's expanding lab outreach, accommodating outpatient surgeries, or integrating newly acquired facilities, agility allows health organizations to adapt and grow seamlessly.

Example: From 2018 to 2024, a large health system in the Midwest, saw its geographic reach grow by 10X, necessitating a large and complex logistics network expansion to support the growing system and outreach laboratory. With the support of their logistics partner, the health system not only grew significantly, but was also able to leverage its expanded network for considerable gains in efficiency and cost effectiveness.

2. Resilience to Disasters and Emergencies

The COVID-19 pandemic underscored the importance of resilience in healthcare. An agile system is more capable of responding to disasters and emergencies, including pandemics, extreme weather events, or other unforeseen crises. Agility empowers health systems to pivot quickly, ensuring continuity of care, safeguarding patient safety, and maintaining operational stability even in the face of significant disruptions.

Example: Earlier this year, a major national healthcare provider experienced a devastating cyber-attack that rendered their digital files inaccessible, forcing a temporary reversion to paper records. When digital access was restored, they urgently needed to digitize accumulated files. Their logistics partner quickly mobilized a nationwide operation, coordinating the transport of sensitive medical records from multiple locations across the U.S. with no negative impact on patient care.

3. Efficiency and Cost Savings

Agility is synonymous with efficiency. By connecting physical locations and streamlining operations, healthcare systems can reduce shipping costs, minimize waste, and optimize resource allocation. An agile system facilitates better communication and coordination across the network, leading to smarter inventory management, limited redundancies, and significant cost savings. This efficiency not only benefits the bottom line but also enhances the overall quality of care.

Example: To achieve additional savings the executive team at a large Northeastern health system wanted to attain optimal efficiency by streamlining their on-demand shipping service. The health system and their logistics partner performed an on-demand analysis and worked together to create an education program for their teams

about best practices. This successful program helped reduce on-demand orders by \$120,000 annually and continues to realize savings goals year-over-year.

4. Delivering Better Care

As healthcare moves increasingly into the community with home care, virtual visits, and other non-traditional settings, agility is crucial for meeting patients where they are at. An agile system supports the delivery of care in these new settings, ensuring that patients receive timely, personalized care aligned with their needs.

Example: A health system in the Southwest experienced a \$700,000 annual loss due to expired pharmaceuticals that were either not stored at the correct temperature or delivered to the wrong address. They switched to a logistics partner equipped with temperature-controlled transport and sophisticated tracking technology. As a result, they eliminated the \$700,000 in losses and significantly improved both patient and clinical experiences.

The Path Forward: Coordinated Same-Day Logistics

Healthcare's future will be defined by its ability to embrace change and prioritize agility. Integrating same-day logistics with clinical and administrative functions, will enable healthcare organizations to create flexible, responsive network foundations that can adapt and support whatever challenges and opportunities lie ahead. Organizations that take proactive steps today to build agility into their operations will be better positioned to thrive in an unpredictable world, enabling them to deliver superior care and drive innovation for years to come.