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Title	Measurement of Health Care Logistics in Hospitals Multiple Case Study of Five University Hospital Districts		
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Abstract

Maintaining a high service level and sustaining efficient supply chain operations are both critical success factors in hospital logistics in order to provide 24/7 service. This is what makes providing logistics services in hospitals complex in many ways. Therefore, the monitoring of logistics processes should focus on metrics that give direct information on how to create more value to either the organization's customers or owners.

This research has two main objectives. Firstly, it examines the key logistics performance metrics currently used in university hospital districts and by comparing current practices with existing theoretical frameworks attempts to create a model of the key metrics that would be most useful in practice. Secondly, the aim is to find out how the use of benchmarking could help such organizations unite their resources in order to develop methods to improve the quality of their processes according to the standards of quality awards.

The literature review, on which the research builds upon, lies on three elements: measuring logistics performance, the use of benchmarking and requirements on quality award standards. The theoretical part of the thesis gives an overview of these elements. The empirical part of the research was performed as a qualitative case study. Data regarding the cases was collected from secondary sources (e.g. printed material such as annual or other reports and statistics) and by interviewing and observing the logistics personnel in each of the five case organizations, i.e. the material services departments in the five university hospital districts in Finland. Current measurement practices and performance levels were examined and findings were made comparable with each other. Based on the interviews, data was also collected on the needs of the material managers concerning measuring and benchmarking their logistics performance. The theoretical and empirical material was then combined to form a suggested model for measuring logistics performance in university hospital districts.

As a result of the research was created a model of the logistics key metrics in hospitals. During the research it became clear that the purpose of performance measurement should be to create information that helps the organization to do right decisions concerning the improvement of their customer service and economic value. Results also show that it is effective to concentrate on a few central metrics and to benchmark and analyze the values at a sufficient frequency. Therefore, the suggested model consists of only metrics that are relevant to monitor in the case organizations in order to fulfill their objectives. The model was taken to practice in university hospitals in autumn 2004. Benchmarking with the values of this model is agreed to be made yearly between these hospitals, and the method will be taken into their plans for continuous improvement of logistics. The model could be used in further research in this area and try to continue the improvement with more deeper questions like: what kind of services should be included in hospital logistics how should they be provided, and who should provide them?

Key words	Measuring Logistics, Benchmarking, Quality Awards, Public Health Service
Further information	