Case study

A collaborative response to a national demand for coronavirus (COVID-19) PPE

As the coronavirus (COVID-19) pandemic rapidly spread across the globe, Hatmill and its strategic partners faced a daunting task – managing the supply chain of critical healthcare equipment during an unprecedented emergency.

With a surge in demand for Personal Protective Equipment (PPE), Hatmill was tasked with supporting the existing pandemic warehouse and then setting up a parallel supply chain network for future inbound products. We also had to make sure that the public purse got value for money.

What we achieved, working closely with partners across government, the military, the NHS, supply chain, and logistics, was the establishment of a brand-new supply chain, capable of delivering up to one billion units of PPE a week.

We put in place a robust system for recording and storing all PPE, including keeping track of unsuitable items. The stock model tracked >40 locations and >one million pallets. This supported more than 280 hospital trusts and 58,000 other customers such as dentists to continue to deliver critical care to patients during this unprecedented pandemic.

End to end disciplines were introduced, from systems and processes to receive and quality assure stock, to mechanisms for reporting and quarantining unsuitable items. We helped create a new purchasing strategy and supplied daily insight to decision-makers at the highest levels, as well as supporting submissions to the Public Accounts Committee and National Audit Office reviews.

The issue

COVID-19 created an unprecedented demand for disposable PPE. The global nature placed incredible strain on supply chains. A totally new approach, including building a brand-new supply chain, was needed. Here at Hatmill, we were central to the solution, sweeping away the usual NHS supply chain norms and working with NHS Supply Chain.

Our objectives

- Run down stocks in the pandemic PPE warehouse; build a new warehouse and transport network with Clipper
- Set up a brand new, parallel supply chain for COVID-19 PPE, alongside NHS Supply Chain which continued to support NHS trusts with all other products
- Guarantee all PPE sent to front-line users was appropriately certified for quality and protection
- Protect availability of all vital products by controlling allocations
- Support setting up a new ecom-style solution to deliver to other customers like doctors and dentists
- Manage relationships and expectations of various partners and stakeholders; provide assurance to the NHS
- Create an exit strategy for unsuitable or over-purchased stock in the UK

Rejuvenating the Haydock facility

It was Hatmill's Richard Duffy who initially took the call from NHS Logistic Services in March 2020. The request came to use his 20+ years of experience to stabilise and drive the logistical reins of a 300,000sq ft warehouse in Haydock, Merseyside. This facility was already established as part of the pandemic contingency planning and held reserve PPE stock. Operating a slow-moving 'pull' model, it became apparent that the facility was unable to service the demand fast enough as hospitals frantically depleted the supply network of PPE.

We put an experienced team onto the site within 24 hours. It was important to put in stability and support initially, and then lead the stock exit strategy.

We worked with the existing NHS Logistics management team and picking staff at Movianto to understand what products and volumes they had in stock. We also brought in additional temporary staff to make sure that the Haydock staff got a well-earned rest after working flat-out for weeks.

"The first couple of weeks were a blur," says Richard. "We were learning a lot as the world changed around us and insight improved and visibility of true stock position materialised. There were constant changes in demand, and we learned about the specific needs of PPE for dealing with this type of pandemic."

While the central pandemic response teams were being established, our team took control of the PPE ordering system, pushing the stock to hospitals quickly, inequitable amounts. The military supported loading and unloading shipments. The team worked tirelessly on site, including responding within hours, often at weekends or through the night, to emergency requirements to make sure hospitals could stay open.

While coordinating how much PPE to send to hospitals, the team was also calculating how to transfer the stock into a new parallel PPE network being set up by Hatmill's Terry Murphy.

"Emptying the pandemic reserve location as quickly as possible created space for other products, such as ventilators. The focus on the medium term was on our minds while we were in the thick of supporting the day-to-day" explains Richard.

Setting up the parallel PPE network

It was quickly apparent the existing pandemic PPE stockpile and supply chain arrangements wouldn't be sufficient. We were also tasked with setting up a parallel supply chain dedicated to PPE, alongside the existing NHS one, in a project led by Terry Murphy.

Working with Clipper Logistics and the Ministry of Defence (MoD), we set up a completely new supply chain – including all facilities, processes, procedures and systems. This extended to quality control – when goods were not pre-approved for use, the MHRA and HSE were engaged to test and validate the providence of the PPE. If the product was not certified, it remained quarantined.

Rapid response was a must, with same-day turnaround wherever possible due to shortages of critical items. There were few advanced shipping notes (ASNs) allowing immediate booking in of stock, barcodes or even delivery manifests in English, such was the frantic nature of the imports from the Far East.

Once the new supply chain was established, Hatmill's expertise, in the form of Richard plus Alex Stuart, was redeployed to the NHS head office in London to take control of the new supply chain.

As Supply Chain Director of PPE, Richard and his team established appropriate governance, reporting, sales and operational planning (S&OP), tracking and forecasting. These new systems and processes allowed the challenge of existing buying decisions as new information became available, and increased confidence in future decision-making.

A life-saving network

This agile supply chain introduced c.3000 SKUs (an increase of 1927% versus the 148 pre-pandemic) and could deliver up to one billion units of PPE a week. It supported more than 280 hospital trusts and 58,000 other customers such as dentists to continue to deliver critical care to patients. We're proud to have played a central role in creating the system which made that happen alongside our strategic partners.

What we did

- Set up a brand-new supply chain, with all relevant controls, procedures and warehouse management systems (WMS) to manage England's PPE stocks and liaise with other home nations. The first site was up and running, ready for inbound receipts within just four days
- Implemented a robust stock model giving visibility of available and quarantined stock. This included a network of 40+ locations & 1m+ pallets
- Collaborated with a wide range of organisations spanning the public and private sector and military to work as one team with one mission to get the job done and protect the front line of the NHS
- Supplied daily insight to the Department of Health and Social Care (DHSC) to inform government decisions and Number 10 press conferences
- Managed relationships with NHS buyers who were used to pulling stock at will at the start of the pandemic to support NHS trusts
- We implemented a change back to a push model of stock management once established
- Created a purchasing strategy and agreed budgets with buyers to ensure the right PPE was being purchased
- Supported DHSC in preparing for multiple Public Accounts Committee meetings and National Audit Office reviews
- Supported the recruitment of a new team with the right skills to continue to run the supply chain once Hatmill's team were able to exit

The outcome

- A brand new, successful supply chain operation which delivered only compliant and safe prior permission required PPE, on time and to the right place
- Supported the introduction of c.3000 SKUs from the 148 SKUs pre pandemic
- Supported more than 280 hospital trusts and 58,000 other customers such as dentists to continue to deliver critical care to patients
- A network capable of delivering up to one billion units of PPE a week
- Created a system for recording and storing all PPE, including unsuitable items for which the costs are now being reclaimed

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