

Inventory Management

Best Practices

Effective healthcare supply chain inventory management requires a coordinated, organization-wide approach. Strong oversight, visibility, forecasting, inventory controls and consistent processes help ensure supplies are available when needed, resources are used wisely and patient care remains uninterrupted.

1. Establish Centralized Inventory Governance

Create a central team responsible for overseeing inventory policies, standards, performance, strategic decisions and supply-related risks across the organization. Standard processes help reduce differences in how supplies are ordered, stocked and stored across locations.



Define who is responsible for making inventory decisions.



Address supply issues that affect multiple locations or departments.



Approve organization-wide policies, standards and performance measures.



Prioritize investments and improvement efforts.



Review inventory performance regularly.

2. Implement Enterprise-Wide Inventory Visibility

Use a centralized system and standardized inventory data to provide a clear, up-to-date view of inventory across the organization. Better visibility helps identify shortages sooner, avoid duplicate purchases and make better use of available inventory.



Maintain a single, standardized inventory list.



Monitor stockouts, expired items, backorders and inventory usage trends.



Connect inventory, purchasing and financial systems.

3. Develop Data-Driven Demand Forecasting

Use past inventory usage, patient volumes, seasonal trends and upcoming changes to predict future inventory needs. Accurate forecasting helps predict when items will be needed so patient care remains uninterrupted.



Review forecast accuracy and adjust as necessary.



Consider upcoming changes before ordering supplies.

4. Establish PAR Levels and Safety Stock Standards

Set standard inventory levels, including minimum and maximum quantities and reorder points, to help ensure resources are used wisely without carrying excess stock.



Base inventory levels on usage, delivery times, item importance and needs.



Review inventory levels regularly and adjust for demand and disruptions.

5. Standardize Receiving, Storage and Distribution

Use consistent processes for receiving, storing, tracking and distributing supplies across the organization. Consistent practices improve inventory accuracy, product tracking, product quality and patient safety.



Verify supplies against orders when they are received.



Ensure receiving staff are trained.



Track lot numbers and expiration dates.



Conduct regular storage and inventory audits.



Maintain proper storage conditions and security measures.

Leadership Should Ask...



Is someone clearly responsible for inventory management?



Can we move supplies quickly where they're needed most?



Can we easily see inventory issues across all locations?



Do we regularly track inventory performance?



Are inventory levels based on actual needs and usage?



Are supplies handled and stored consistently?