

Dock to Bedside: Getting Inventory Management Right



Getting inventory management right is foundational to controlling cost, helping ensure clinical availability, and enabling a resilient healthcare supply chain. Achieving these outcomes depends on having the right technology in place. Healthcare providers typically consider two inventory management tools for use in conjunction with their Enterprise Resource Planning (ERP) software: Point of Use (POU) and Warehouse Management Systems (WMS).

What is a Point of Use (POU)?

An inventory management tool designed to capture and record medical supply usage, sometimes at the moment and location of patient care, to support accurate billing, inventory control, and clinical documentation.

Sample challenges that lead healthcare providers to consider POU adoption:

- Non-standardized clinical supply usage documentation across procedural locations, creating inconsistency and clinician confusion
- Reliance on manual clinical supply usage documentation processes, resulting in potential revenue leakage and excessive clinician time spent on documentation
- Limited visibility into inventory levels, locations, constraining Supply Chain's ability to accurately report on product usage and monitor expiration risk

Benefits of a POU:

- Improved charge capture
- Reduced waste and expired inventory
- Real-time inventory usage and level visibility leading to better procurement practices
- Standardization across procedural areas



What is a Warehouse Management System (WMS)?

A software application used to control and enhance day-to-day warehouse operations to help ensure inventory is ordered, stored, picked, packed, and delivered efficiently and accurately.

Sample challenges that lead healthcare providers to consider WMS adoption:

- A large warehouse space with volume that would benefit from functionality over-and-beyond an ERP (ex: BOM/kit management, dynamic slotting, wave planning, directed put away, picking/pick path optimization, GPS shipment tracking, etc.)
- Limited or delayed visibility into inventory levels across warehouses, supply rooms, and clinical areas, leading to stockouts, excess inventory, manual counts, and reactive decision-making

Benefits of a WMS:

- Improved inventory accuracy
- Faster order fulfillment
- Reduced labor and shipping costs
- Better forecasting visibility and reporting
- Improved cash flow
- Scalability as volume grows



How you can begin to prepare now

Establish Governance and Ownership Early

- Determine clear operational owners with strong clinical alignment and sponsorship
- Coordinate implementation timing with other ongoing initiatives (e.g. ERP, EMR)

Cleanse and Rationalize Data

- Perform comprehensive item master cleanup
- Define inventory classification standards, including asset v. expense, consignment, and high-value tracked items

Document Current State Workflows

- Capture end-to-end workflows for receiving, put away, internal distribution, case documentation, replenishment, and returns
- Identify known work arounds, gaps, and site-variability

Identify Super Users and Build Change Readiness

- Identify super users by role and site
- Set expectations for time commitment and responsibilities
- Begin change management messaging early to support adoption

Leading practices for implementation

Project Planning and Governance

- Establish project governance across stakeholders to drive decision-making and risk management
- Align POU and WMS planning and implementation with ERP and EMR timelines where appropriate to help ensure interface stability and coordinated cutover
- Establish go-live and hypercare support models tailored to 24/7 healthcare operations

Workflow Design and System Configuration

- Design strategies by inventory type to balance availability, cost and regulatory requirements
- Enhance workflows to reduce manual workarounds and support clinical demand
- Apply proven experience from diverse healthcare organizations

Test Scenario Support

- Design test scenarios incorporating operational and clinical workflows

Knowledge Transfer and Job Aids

- Build client ownership through a super-user model
- Develop tailored job aids aligned to system design and client workflows to accelerate adoption

Clinical Engagement and Change Management

- Partner with clinicians and supply chain teams to design workflows that reduce clinical burden
- Drive adoption through targeted change management and stakeholder engagement

How KPMG can help you apply leading practice to your implementation

KPMG LLP helps organizations select and implement Point of Use (POU) and/or WMS solutions by aligning clinical workflow, supply chain operations, financial outcomes, and enterprise systems by bringing healthcare leading practice, accelerators, and governance to create an integrated value-driven operating model. **To learn more, please contact us:**



Albert Yu

Principal
Advisory
albertsyu@kpmg.com



Jennifer Sturgeon

Managing Director
Advisory
jsturgeon@kpmg.com



Chrissy Manley

Director
Advisory
christinemanley@kpmg.com

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