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Southwest Florida CEOs: Robert Simpson of LeeSar

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Robert Simpson would prefer most people never think about his company.

That would mean things are going well, he said.

But the company is growing too fast to overlook, even when things are running smoothly.

Simpson, 62, is president and chief executive officer of LeeSar, the Lehigh Acres-based distribution company supplying Lee Memorial and Sarasota Memorial health systems with everything from "note pads to catheters." He also leads Cooperative Services of Florida, a parallel nonprofit group that negotiates purchase contracts from suppliers.

Sales have climbed from \$20 million in 2002 to an expected \$120 million this year. The number of employees has roughly tripled to 152 people.

Simpson came to LeeSar six years ago, when the operation was floundering.

"I was recruited to fix the company," Simpson said. "The company was broken."

At the time, when a nursing unit or clinic ordered 100 items - medicine, dressings, supplies - it could only expect to receive about 60 of them because of human error or because supplies were too low at the warehouse.

Now that number - posted throughout the company's distribution center - hovers in the high 90s.

"Now, my staff can tell you why," Simpson said. "Why is it not there and when is it coming in? That is how fine-tuned we have got this operation."

The turnaround earned the company a 2007 Blue Chip Award, given each year to local businesses that have battled back from adversity.

Today, the company is negotiating whether to sell a third of the operation to the NCH Healthcare System, Collier's largest hospital. It is in discussions whether to distribute supplies to the Lee County Sheriff's Office and Lee County EMS.

In 2009, the company will take over the property now home to Southwest Florida Regional Medical Center on Winkler Avenue in Fort Myers. The current building will be destroyed to build a new distribution center, complete with a centralized sterilization center for medical instruments and a central kitchen for patient food service. Currently, new supplies must be sent to Tampa to be sterilized and meals are prepared at an overmatched kitchen at Cape Coral Hospital.

Simpson is quick to credit the success to his team and his bosses with the health systems.

"I am a custodian and a caretaker of an organization that the CEOs and boards of these hospitals allow me to look over," he said.

He said he may never have found Southwest Florida if not for a family tragedy and his own health crisis.

His son, Bobby, was killed by a drunk driver in 1989 at age 18. He and his wife left Boston to escape the ever-present reminders of the loss.

Then, while working for a medical manufacturer in Orlando, Simpson was diagnosed with advanced prostate cancer and was given three months to live.

He said he beat the prognosis, in part, because his daughter, Michelle, is an operating room technician in Boston and worked with a world-renowned oncologist who agreed to see him immediately.

Simpson came to LeeSar and Southwest Florida because he wanted to continue to work in the field he loved, but wanted to limit travel to spend more time with his wife, Linda.

"Fate sent me here and I don't take that for granted," he said. "I came down and I have enjoyed every minute I have been here."

Simpson sat down recently to discuss his roots on the streets of Boston, the challenges facing health care and how much he loves a well-tuned machine.

'Street kid'

"I was a street kid from one of the neighborhoods of Dorchester, a tough Irish neighborhood in Boston. I'm not proud of my background because I probably saw more of the police station than I did of the school because I was running the streets of Boston.

"The Army straightened me out. I was in for seven years, did two tours of Vietnam and one in Korea. When I got out, I started driving a truck and started going to Stonehill (College) at night.

"I went to Stonehill for seven years for my undergraduate degree. I quit Stonehill more times than I can count because I didn't think I could get it done. I was driving lumber trucks and delivering shingles and Sheetrock and humping it through rooms in the pouring rain in downtown Boston and then going to school at night."

Just-in-time delivery

"This place runs 24 hours a day, seven days a week. We never shut down because the hospitals never shut down and we are doing just-in-time delivery. What that means is, there is a computer system sitting over at the hospital. As the nurses pull products off the shelves, it tells us it is leaving those shelves and tells us to restock them. We will restock them once or twice a day depending on what their needs are.

"We take those products directly from here at the distribution center right up to the nursing units. We go right up to the patient floors.

"There is no waste, no expired product and a better use of the product, giving more efficiency to the hospitals."

Coaching the 'A' team

"I feel like the coach of a football team. I'm not out there blocking and tackling, but I can see how the play has to be set up so it can be successful.

"We have a saying here and you will hear it throughout the whole organization: There are A players and there are B players and there are C players. LeeSar cannot afford to hire, maintain or have on board any C players. LeeSar cannot afford to have on board or hire any B players, unless we know they can become A players."

Measuring success

"I was here probably about a week and I shut the operation down on a Friday afternoon at about 3 o'clock.

"I took all of the employees - at that time it was 40 or 50 employees - into a room, the receivers, the truck drivers, the van drivers, the order pickers, the processors, everybody.

"I said, 'Starting now, at this minute, 3 o'clock in the afternoon on a Friday, you are all responsible for one thing ... and that is fill rates. Every Friday at 3 o'clock, we are all going to meet in here. Everybody. I don't care who you are or what your job is, you are going to tell me what you did this week to make the fill rates better.

"In about a week - and I mean a week - the fill rates went from 60-something percent to the mid-90s."

New ideas

"We are under very tough, challenging times in the health care systems. Reimbursement at the state level and the federal level is being cut back.

"I have gone around the country looking for all kinds of ideas from health care systems. I think I have tapped it. I can't find any new ideas.

"So now what I do is I go to industry. I spend a lot of time speaking to professional logistical people who work for GE, who work for DuPont. I am bringing those ideas here.

"We have an automated carousel picking system that doesn't exist in most health care systems in the country. Where it used to take us a dozen people to pick an order, we can pick those same orders and more with two people and with better accuracy. I got that idea from industry."

Standardization

"We cannot afford to carry six different kinds of syringes and six different kinds of bed pans.

"So, we get the clinicians and the physicians together and we talk about how we can standardize because the more volume I can push to a manufacturer, the better pricing I can get.

"There has always been a thing known as physician or nurse preference. I don't want to hear that. If you put six people in a room and tell them they are going to paint a house, you are going to come up with six different colors.

"So what we say to them is this: 'You tell me what is clinically and operationally acceptable and if it is not, then tell me why it is not.'"

Finding a cause

"When you lose a child, you probably do one of two things, in my opinion: You either go off a bridge, become a drunk or something like that, or you find a cause.

"Back when we lost Bobby, Linda and I found a cause. Back when we were in Massachusetts, there was a group of doctors that were traveling (as medical missionaries) and they just didn't know how to put their supplies together to take care of their Third World efforts.

"So I started a supply chain division helping them. In 1995, I was the president of the International Hospital Association's supply group. I asked the board if they would start a foundation to support medical missions around the world and they said yes, and in 1995, we founded Project Perfect World.

"If you go to Central and South America, you will see the poorest of the poor. We do a lot of work down there with lepers - and they are the forgotten people of the earth.

"Here in our own community ... you see deplorable living conditions.

"I don't pretend to be a leader in the community, but I participate. If you don't step up and do something, it will get worse and those people deserve our help."

Time off

"Right now I am rebuilding an old car, a 1963 Chevy Impala, a convertible. Linda calls it my middle-age crisis.

"I have been working on it for three years and every time somebody sees me, they ask me 'How's it going?' and I say it's almost done. It's a joke around here.

"My staff is always saying they don't think it exists. There was a budget and the budget went out the window about a year and a half ago, but we are so far down the road now that we just have to get it done."

Re-engineering

"A couple of weeks ago, the public board of the Lee Memorial Health System voted to turn that (Southwest Florida Regional Hospital) land over to LeeSar and we are working out the finances of how that is going to be done, probably through a long-term lease.

"We are going to build a brand new, state-of-the-art, 300,000 square-foot supply chain regional service center, second to none in the nation to service all of Lee County and Sarasota County.

"We are looking at a cost between \$35 and \$50 million and we are working with companies to bring that down. This has to be a break-even for the hospitals. They have no guarantee on the funding and they put no capital dollars into this. This is strictly a LeeSar project. We will go out for a bond issue and for the first time in our history LeeSar will have some debt.

"This is about re-engineering the supply chain for these hospitals and we don't have a choice in doing this. We have to do this."
