

Quick, Easy, Accurate Linen Inventory Techniques

Taking a physical inventory is something most managers and organizations dread doing for a variety of reasons. Yet, inventories can and should serve some very useful purposes if the value of those efforts are known. In all reality, the reason most organizations do not take a physical linen inventory is a lack of knowledge on how to easily conduct an inventory. This discussion will hit the high spots on conducting a detailed linen inventory as well as methods of conducting a sampling linen inventory. The methods are the same however the sampling method can provide quick information with a minimum amount of employee and management time.

Prepared by

Phillips & Associates, Inc.

2451 Fifteenth Street NW Suite A

New Brighton, Minnesota 55112 USA

Tel: (01) 651 288 4950 Fax: (01) 651.3646

E-Mail Address: pa-i@phillipsandassociates.com Web Site: phillipsandassociates.com

Page 1

Getting people in all specialty areas of the laundry industry to take an inventory is extremely difficult; Some of the comments that are made . . .

- “We really don’t want to know how much linen we have lost”
- “Inventories serve no useful purpose”
- “Taking a physical inventory is a waste of time and money”
- “It takes too long”
- “We do not have enough employees to take inventory”

When any of the above comments are made, what is really meant is one of two things . . .

- I am too lazy to take an inventory
- or, I don’t know how to take an inventory

Taking a good, physical linen inventory can serve several purposes . . .

- Serves as a benchmark to keep linen losses in check
- Financial planning and asset management
- Provides answers to age old question, how much inventory is enough?
- Aids in forecasting annual orders

The methodology used in taking a physical inventory can and will vary depending on the success of using a particular inventory method.

There are several details that can make the task easier before attempting to take an inventory

- Know and list every linen item used in your facility. (Addendum - A)
- Know and list every linen using unit in your facility. (Addendum - B)
- Know where all the linen can be found, (i.e., linen closets, beds, rooms, soiled linen in laundry, clean linen in laundry, and new linen inventory/reserve linen in warehouse)
- Prepare or use a form similar to the one identified as ADDENDUM - C and have these forms partially completed before attempting the inventory process. (Use ADDENDUM A and B information to complete ADDENDUM - C)
- Use employees in the inventory process who recognize linen by sight.
- Stop the flow of linen. Arrange to have all soiled linen chutes sealed just prior to beginning the inventory. Contain linen in the inventory area
- In the laundry, make sure all linen-in-process has been finished. Linen must be in clean linen area or soiled linen area, not damp on the production floor.
- Arrange to take inventory on a day when census/occupancy is at its lowest.
- Arrange inventory at the quietest time of the day. This is often between 12:00 am and 6:00 am. It is during these hours that linen is moving the least and the possibility of a more accurate inventory is greatest.

Once all these details have been considered and a logistical plan developed, the inventory can begin

- Using the form (ADDENDUM-C), make assignments of employees to specific areas.
- The inventory should take no more than two to three hours. If it appears as though more hours are needed, schedule more employees to assist in the process.
- Linen is one of those items that continues to flow 24 hours a day in most facilities. If the "inventory window" can be narrowed, the room for error will also be narrowed. The margin of error is directly proportionate to the length of time required to take that inventory.
- The following table shows the approximate margin of error:

1 Hour = (+) or (-) 4%	2 Hours = (+) or (-) 8%
3 Hours = (+) or (-) 12%	4 Hours = (+) or (-) 16%
5 Hours = (+) or (-) 21%	6 Hours = (+) or (-) 25%
6 Hours = (+) or (-) 29%	8 Hours = (+) or (-) 33%

The actual inventory can begin after the assignment schedule has been prepared and the Schedule - C forms are completed.

- A different set of inventory instructions may be required for each area where linen is used.
- Develop a set of written instructions for each of those areas so that the employees doing the counting know exactly how the count is to take place.
- An example of those instructions might be:

GUEST OR PATIENT ROOM AREAS

1. Identify, count, and record all linen in linen closet.
2. Identify, count, and record all linen on exchange cart.
3. Identify, count, and record soiled linen in the soiled utility room.
4. Identify, count, and record all linen in rooms (where vacant - look in closets and dressers).
5. Estimate by bed make up, the linen in rooms that are occupied.
6. Identify, count and record all linen housekeeping/nursing stations, cabinets, desks, counters and shelves and other storage spots.

LAUNDRY AREA

1. Empty and transport all soiled linen from chute rooms to the laundry.
2. Sort, identify, and count all soiled linen in laundry.
3. Identify and count all clean linen on shelves in laundry.
4. Identify and count all clean linen on exchange carts in or near laundry.

NEW LINEN INVENTORY AREA (WAREHOUSE)

1. Identify and count full cases of linen in warehouse, denoting the case quantities of each item.
2. Identify and count the broken cases by item.

A LINEN INVENTORY REPORT FORM similar to ADDENDUM-D should be used to record the results of quarterly physical linen inventories. This document, if used properly will show trends in linen losses, discards, and new linen entered into the system.

Spot-check method; Unit for unit:

- Keep track of all linen sent to an area for one week
- Send up soiled linen bags with velcro labels: "Inventory in Progress"
- Close off chute for a 24 hour period
- Count all soiled linen for one day
- Count remaining clean linen for one day
- Start at midnight; let go for 24 hour period
- Like sending a child to store to buy loaf of bread. Leave with \$5.00. Return with bread, receipt and change.

ADDENDUM - A
User Unit Linen Usage Record

User Unit: _____ **Department:** _____

Item No.	Linen Description	Size of Item	Color of Item	Weight of Item	Approximate Daily Usage
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					

ADDENDUM - B

Master List

User Unit List (Unit Size, Location, Type of Unit)

This listing provides for all the needed information required to conduct a linen inventory. Listing must be completed before Linen Inventory can begin.

User Unit No.	Linen User Unit Name	Type of User Unit	Number of Rooms, Beds, Seats	Linen Delivered (Frequency)	Linen Storage Location
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					

ADDENDUM - C
Linen User Unit Inventory Tabulation Form

User Unit: _____	Inventory Date: _____
Inventory Taken By: _____ _____ _____	Total Beds: _____ Total Rooms: _____ Total Seats: _____

Linen Item No.	Linen Description	Totals; Carts and Closets	Totals in Rooms	Totals in Other Areas	Totals in All Areas
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

ADDENDUM - D

Linen Inventory Report Form

Inventory Dates:	1 st Qtr:	2 nd Qtr:	3 rd Qtr:	4 th Qtr:						
Linen Item	Last Inven. Count	Total Inven.	Current Inven.	Circ. Inven. Std.	Linen Inven. Status (+/-)	New Linen Costs	← Linen Losses (Discards)	Linen %	Losses Linen Losses (Unknown)	→ %