



Procurement Best Practice

Procurement best practice

The procurement challenge

The Gershon report has set very aggressive targets to improve back office efficiencies across the public sector with procurement highlighted as a key function for change. Health specific procurement is targeted as a key opportunity. The report emphasises a need to:

- Improve efficiency targets by 2.5% per annum.
- Reduce the number of inputs by improved processes and procedures.
- Lower prices by improved professional procurement.
- Raise productivity and improve the quality of services.
- Improve ratios of output.
- Improve resource accounting and budgetary controls.

To achieve the above it is recommended that the NHS invests in information and communication technology at both a national and local level and use e-enabled channels to market. The public sectors spends well over £100 billion per annum and needs to adapt to use standard proven management tools to drive forward change and adopt best practice.

Prepare for the journey

The demands being made on senior management to meet the government's efficiency improvement targets mean that no organisation can ignore the challenge. The pressure to improve front line services is unremitting and the need to ensure that the huge investment made in the NHS delivers improved patient care means that back office functions must deliver more for the same or less money.

Senior managers need to consider a number of questions before embarking on the journey towards sustained improvement:

- Is there a procurement strategy in place to address these issues?
- Is there a deep understanding of the healthcare supplier market?
- How old is the current technology being used?
- Are e-enabled procurement solutions in use?
- Are e-market places and their benefits understood?
- Are e-transactions stretching from procurement to payment?
- Can procurement efficiency be improved to release resources?
- What kind of management controls and reporting systems are in place?
- What resources are there to manage this level of change?

How can we help?

The Consultancy Company has been working closely to help NHS organisations to address these issues and we have a comprehensive knowledge of our client's marketplace, the technical, organisational and change management challenges that face procurement departments, their suppliers and internal customers.

Using our knowledge and experience of the NHS, The Consultancy Company has developed a proven 'health check' process to assess the fitness of an organisation to meet the rigorous demands of the government's efficiency improvement targets.



“The Consultancy Company helped assess our overall thinking around buying and changed us from a standard ‘price driven’ procurement department into a ‘solution focused’ network.”

Head of Procurement
NHS Trust

Health Check

Initially our consultants will gain an in-depth understanding of a client's current procurement environment and will compare this with procurement best practice across the health sector. The health check will be conducted by examining the 'as is' alongside our knowledge of the 'what could be' under the headings of:

- Technology
- Processes
- People

Technology

A review of the current use and effectiveness of procurement systems will enable us to determine whether there is further capacity to incorporate the e-enabled technology that will bring the greatest advantages to an organisation. This will include looking at the ability to carry out e-enabled business with suppliers, including the use of electronic catalogues, and the scope of current and potential use of an electronic procurement system by internal users.

Improving management information will dramatically increase the ability to make decisions based on facts and data. An examination of information systems will determine whether they provide the data needed for effective decision-making or whether enhancements are required to achieve the optimum data availability and reporting functionality.

We have demonstrated with our clients that electronic procurement solutions as recommended by Gershon will provide:

- Improved visibility.
- Improved order cycles.
- Lower levels of inventory for the same level of activity.
- Improved quality of data.
- Improved supplier relationships.
- Improved procurement costs.

Processes

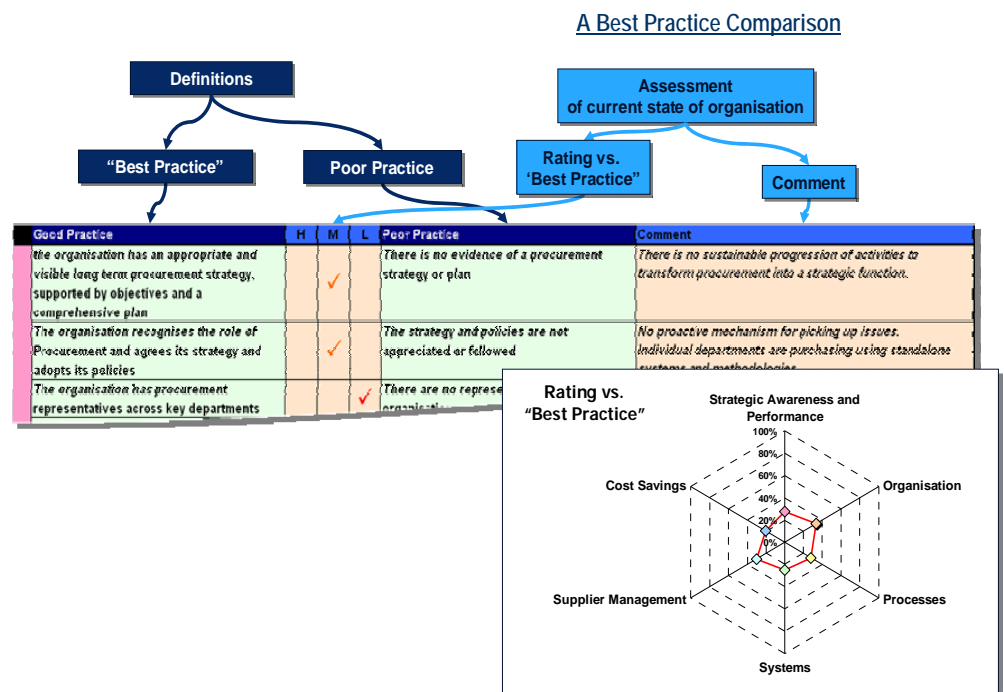
A workflow is only as good as the processes that underpin it. Our consultants will document the 'as is' across the organisation which will include identification of the inputs, triggers and outputs within and between departments and systems.

This exercise clearly highlights gaps, overlaps and inefficiencies in existing procedures. For example, when reviewed alongside the technology in place, the 'as is' maps will identify where manual processes duplicate electronic ones; where people in different departments carry out the same activities without knowing it; and where data is re-worked because it's not presented in a useful format.



"The low price, high volume approach to procurement doesn't necessarily give best value. Good procurement is all about good systems, good relationships, and a rounded overall approach to life cycle costing."

David Griffiths
Principal Consultant
The Consultancy Company





“We believe procurement in the health service is about more than just driving down prices. It’s about value, it’s about whole life costs; and it’s about best practice. If you share the same belief then let us help you turn the vision into a reality”

Tim Richardson
Managing Director
The Consultancy
Company

People

We will review the existing structure of the organisation and determine whether this is effective in meeting the needs of your current and future procurement service. On our advice clients have restructured their procurement functions to provide a significantly improved service to the user community together with reduced staff costs.

After the Health Check

Post health check our consultants feed back results and provide a report giving a diagnosis and recommendation for improvements in the areas of technology, process and people, using best practice across the health sector as a guide to demonstrate where efficiency improvements and cost reductions can be made.

The health check is the first step to realising potential benefits. Implementing the recommended improvements requires skill and experience in understanding the technology available and being able to effectively project manage the changes while keeping staff on-board.

Our consultants are all highly experienced in:

- Project management
- Process management
- Change management.

The Consultancy Company

Our team of experienced health consultants are experts at helping PCTs, SHAs and Acute Care Trusts. They have all held senior management positions for at least ten years. Our client list and the range of work that we have delivered in this arena is extensive and we continue to win contracts due to our excellent track record of delivery.

We pride ourselves on being able to build strong working relationships with our clients. And because we are consultants we are not distracted by a day job. That means we can hit the ground running from day one with you and turn a ‘cold’ paper concept into a ‘hot’ operational reality quickly and effectively.

We understand the underlying values of the health community and the enormous pressures it faces every day as it seeks to implement government policy.

Our expertise, our holistic approach, and our knowledge of procurement, the Lean process and joint commissioning means that we deliver significant benefits to our clients and ultimately to patients.

The Consultancy Company will identify opportunities within an organisation – whether it is a simple shift of emphasis using a new set of operating routines or a more radical step change requiring a different approach.

If you think we can help you with your procurement challenges, please call us for an initial meeting on 01865 841177 or contact Tim Richardson, Managing Director, on 07786961716.

The Kidlington Centre
High Street
Kidlington
Oxford OX5 2DL

T +44 (0) 1865 841177
F +44 (0) 1865 841155

Cinnamon House
Cinnamon Park
Crab Lane, Fearnhead
Warrington
WA2 0XP

T +44 (0) 1925 661715
F +44 (0) 1925 661800

info@the-consultancy.co.uk
www.the-consultancy.co.uk

REGISTERED ADDRESS
15-19 CAVENDISH PLACE, LONDON W1G 0DD
REGISTERED NUMBER 2861227