Plymouth Hospitals NHS
NHS Trust

NHS eProcurement Strategy - A Hospital Perspective

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Provide Secondary and Tertiary care for c1.2M Population

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- Largest hospital on the UK South West Peninsula
- 2013/14 Turnover £408m
- 5300 employees
- Delivered 4,854 babies
- Operated on 38,696 patients

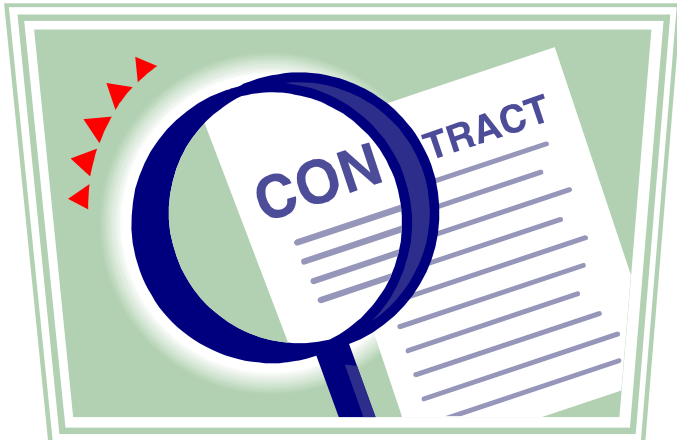
- A&E attenders 88,815 of which 53,435 admitted
- Completed 355,794 X-rays and Scans
- 2200 suppliers
- 175,000 unique items
- £7.5m owned inventory
- 115 deliver to locations

The Major Tertiary Centre in the South West of England

- Over 900 Beds
- Teaching Hospital
- Major trauma
- Cardiothoracic
- Specialised Gastro and Liver
- Specialised Long Term Conditions
- Tertiary Cancer
- Neonatal Intensive Care and High Risk Obstetrics

2014 /15 Acute Provider Contractual Obligation

"The 2014/15 NHS Standard Contract has been amended to include a requirement that the Provider **must** comply with eProcurement guidance if and when applicable. From April 2014, the eProcurement guidance and requirements will be applicable to NHS acute trusts[1]"



1 Dept of Health *NHS eProcurement Strategy April 2014*

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Why eProcurement Strategy?

"Patient care is directly affected by the success or failure of procurement processes[2]"

2 Dept of Health *NHS eProcurement Strategy April 2014*

eProcurement Strategy will deliver £'s

The McKinsey report, *Strength in Unity* has identified recurring annual savings of £3m-£5m for a 600 bed acute NHS provider from the application of GS1 global standards to hospital procurement activity[3]*

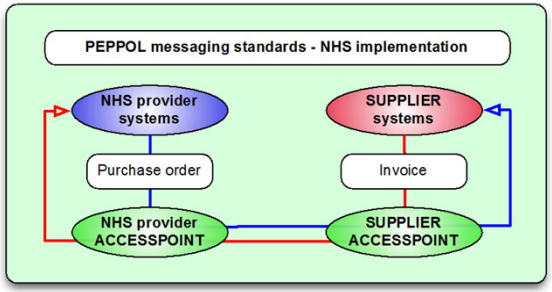
Recurrent savings (600 bed Trust)	Savings forecast (£)	
	Low range	High range
Reduce adverse drug events	1,366,460	2,360,248
Reduce obsolescence	1,366,460	2,111,801
Reduce data cleansing	248,447	372,671
Reduce inventory financing	223,602	310,559
Reduce recall processing	136,646	198,758
Purchase software, maintenance	-285,714	-298,137
Net recurrent savings	**3,055,901**	**5,055,901**

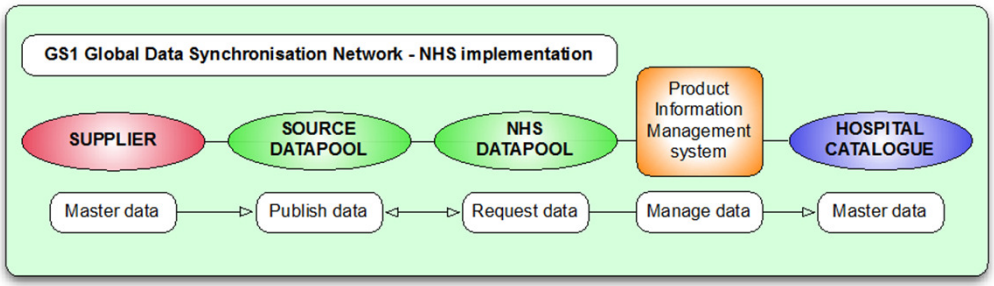
3 Dept of Health *NHS eProcurement Strategy April 2014*

**www.mckinsey.com/client_service/operations/latest_thinking*

Key Actions for Acute Providers (Hospitals)

- All Trusts will be **required** to develop a Trust Board approved **plan** for **GS1** and PEPPOL compliance by **31st March 201**
- All Trusts **should** have a **Catalogue Management** system that accesses Master Data from a nationally established Product Information Management (PIM) system.
- NHS Providers should include plans for **UDI** in their Trust Board approved **GS1**/Peppol adoption plan
- Regularly provide procurement data to the UK Government to enable National price benchmarking





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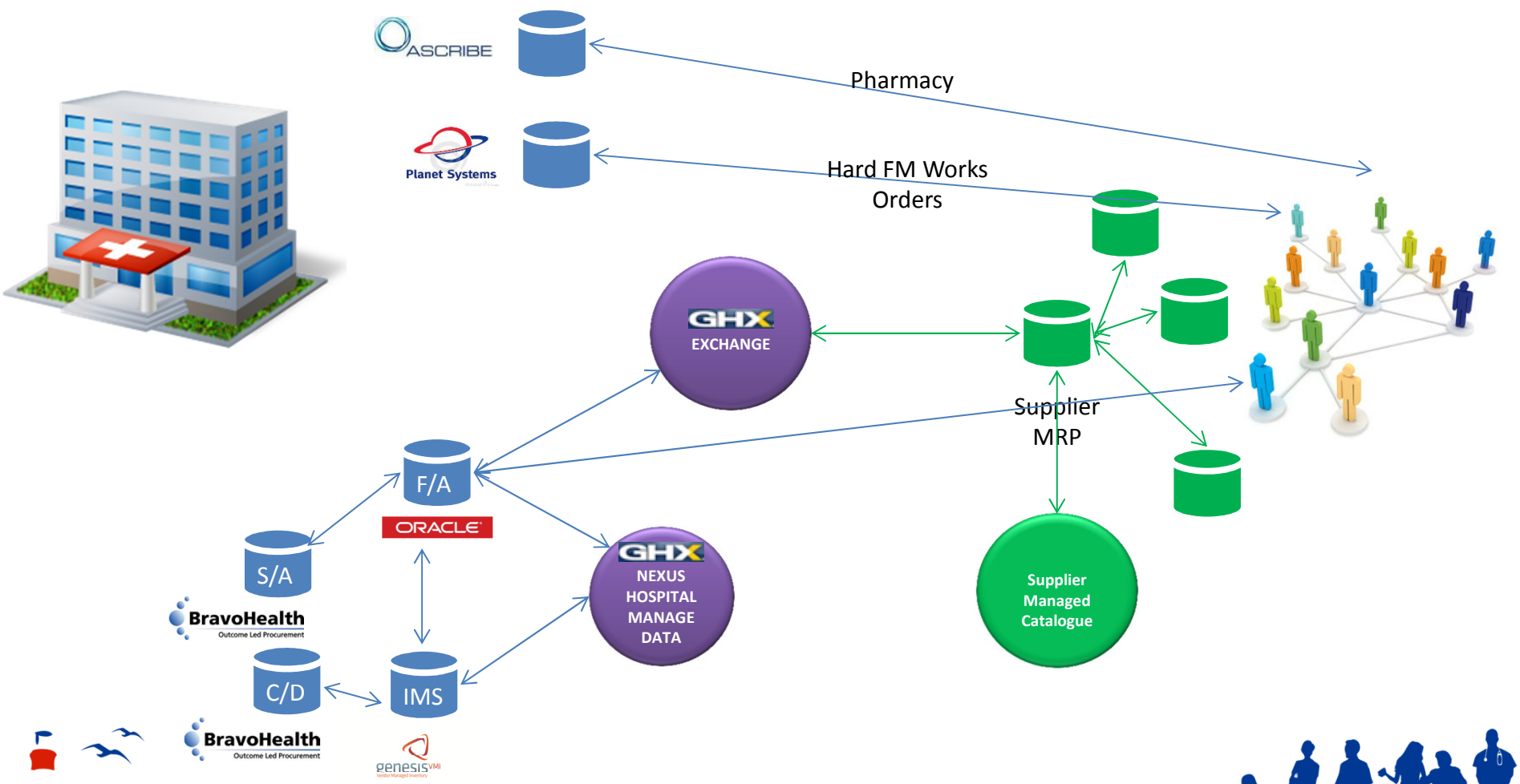
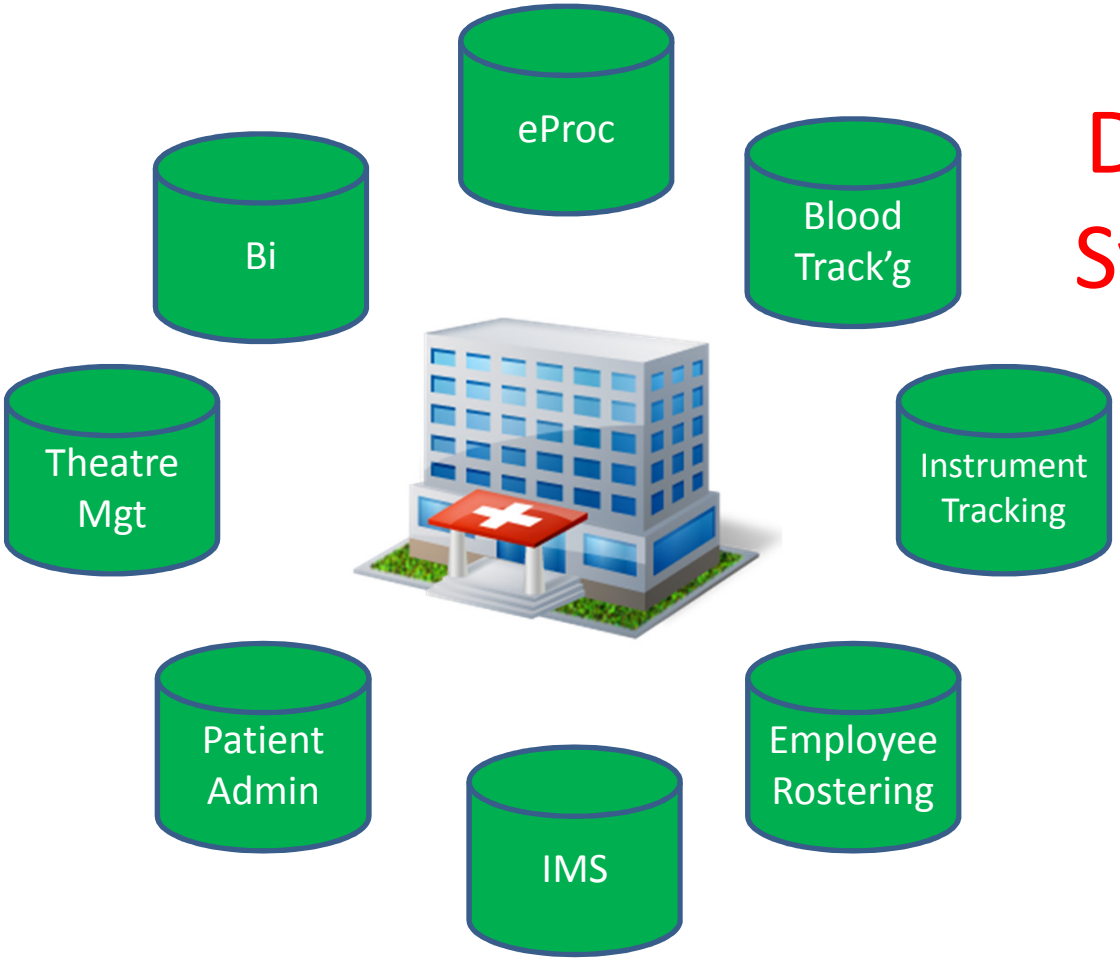
eProcurement System Complexity!



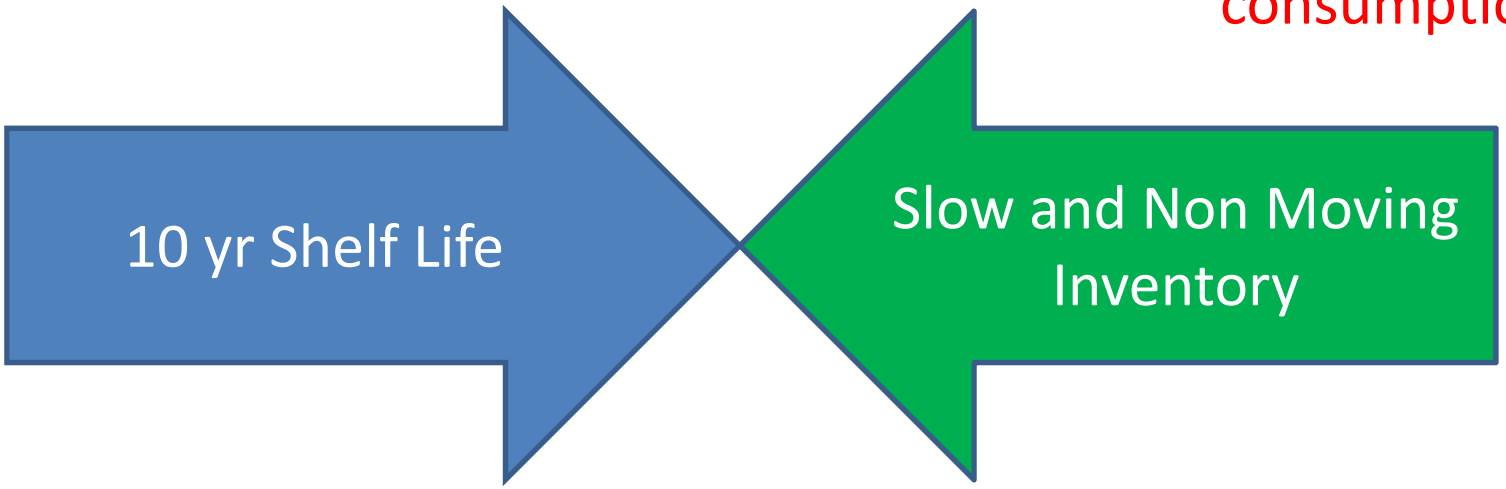
Hospital System Volume & Complexity!



138 Different Systems !

How Long for a GS1 Compliant Supply Chain – The Inventory Challenge

58% of Orthopaedic SKU's have no annual consumption!



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Our Next Steps and Milestones

- Board approved GS1 / Peppol plan by March 15
- Supported by GS1, establish a Trust GS1 Governance structure
- GHX Peppol compliance Dec 14
- Genesis VMI GS1 roll out in Orthopaedics, Cardiothoracics Apr 2014

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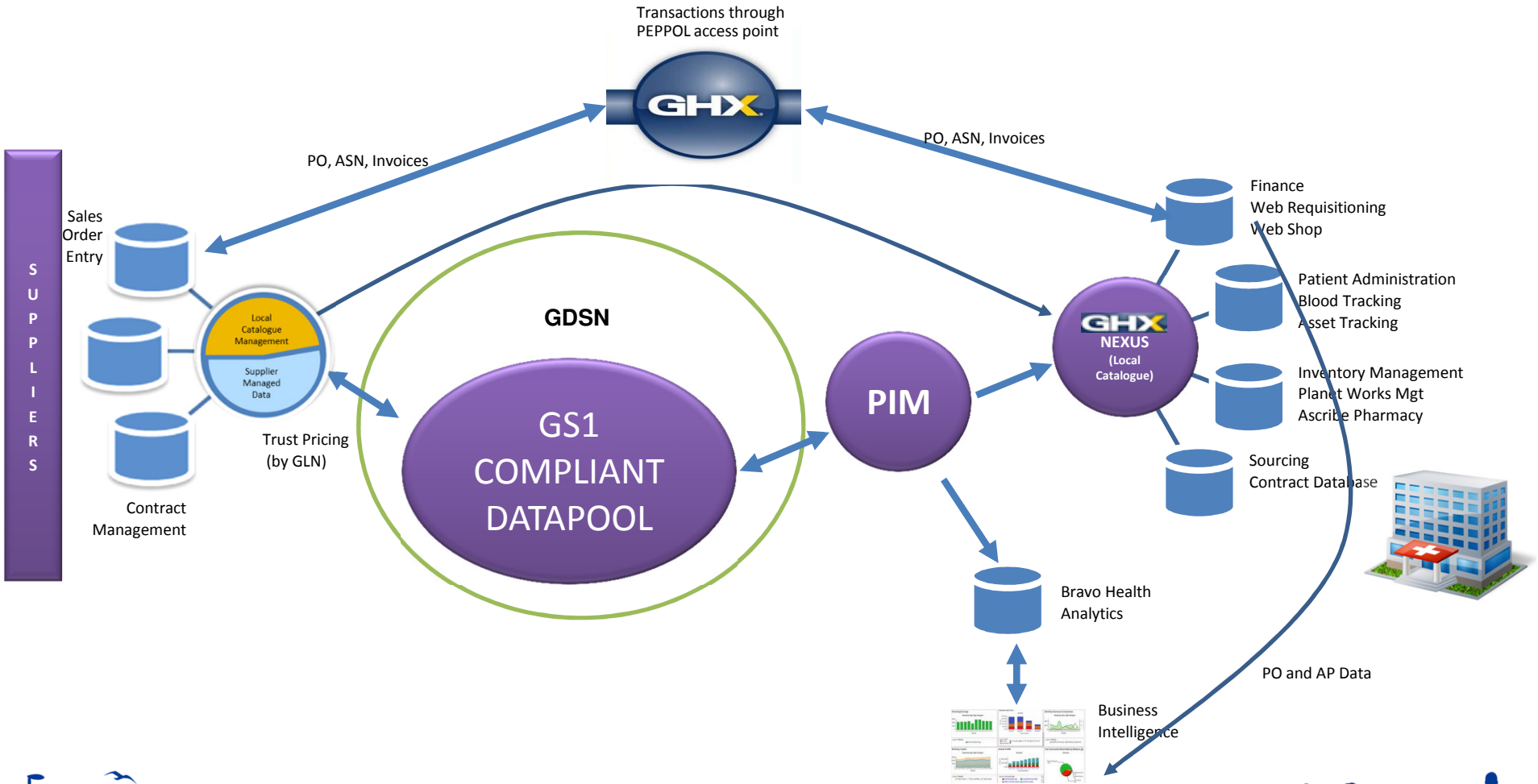
Our future eProcurement System Map?



Supported and developed with GHX

Leading with excellence, caring with compassion