PROCUREMENT PROCESS IMPROVEMENT IN ST LUKE’S ELDERCARE

Kanchana Hoo, Marcus Yeo, Shawn Wee, Simon Wee, Vivi Lolowang, Lian Shieh Yng

St Luke’s ELC – Central Procurement Team was formed to shift seeking expert advice from finance department to procurement department.

The team was also tasked to work with suppliers, especially for budgeted items, and to report to finance director.

The team had to tackle issues like lack of visibility on which part of the process the documents were at, lead time for processing PR to submission of Invoice / PO to finance, and ensuring that lead time (max) is the longest lead time (3 months).

The team was also tasked to ensure that Lead Time is reduced.

1. Lead time reduction

   - **Before:**
     - Lead Time for processing PR to submission of Invoice / PO to Finance
   - **After:**
     - Lead Time is reduced

2. Number of pending documents reduced

   - **Before:**
     - 540 documents
   - **After:**
     - 55 documents

3. 3-way matching (PR, PO, DO and Invoices) which caused backlogs

4. Redundant steps such as multiple copies of documents in different departments

5. Problems with doing the 3 ways matching (PR, PO, DO and Invoices) which caused backlogs.

6. Lead Time for processing PR to submission of Invoice / PO to Creditors

7. Multiple approval layers

8. Lack of visibility on which part of the process the documents were at

9. Cost, Staff efficiency

**RESULTS**

The list of action items to tackle the issues identified from VSM was created for team members to follow up.

**CONCLUSION**

This process improvement project helped the team to improve the procurement process and reduce time spent on non-value-added procedures.

It also identified the essential checkpoints for the smooth processing of purchases.

It also encouraged greater understanding of the various roles of different departments in the procurement process.

Acknowledgement: This project is conducted with the support of Singapore Institute of Technology and Lean Global Network.