The Road to Cluster One-Pricing Model for SingHealth Staff Identification!

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1. BACKGROUND

The SingHealth Staff Identification (Staff ID) items are vital and integral instruments for patients and colleagues to identify SingHealth staff, they serve as a security enabler while promoting collaboration amongst colleagues. Staff ID items consist of the Staff / Dependant Card and Name Tag.

Prior to this project, SingHealth Institutions[1] procured Staff ID items for SingHealth Centrally Employed (CE)[2] staff through three sources: a) SingHealth HQ Corporate HR (CHR), b) SingHealth HQ's appointed vendors, or c) Institutions' appointed vendors. The varied procurement sources inevitably resulted in a reduced control over cost, turnaround time, and processes. Thus, with the aim of improving these factors, SingHealth HQ launched the **Cluster One-Pricing Model** in March 2017. This poster will only focus on how the Model enhanced the procurement of Staff / Dependant cards.

[1]SingHealth Institutions refer to SGH, KKH, SKH, NCCS, NDCS, NHCS, NNI, SNEC, and SHP.
[2]CE staff refers to identified groups of Medical / Dental Specialists and Nurses, Pharmacists, Allied Health Professionals, and Administrative and Ancillary staff who are centrally employed by SingHealth and deployed to work at Institutions.

GOALS

- **Procure SingHealth Staff ID at competitive prices!**
- **Improve turnaround time and optimise processes!**

2. METHODOLOGY (SIX SIGMA DMAIC)

DEFINE

What is the problem?

1) No economies of scale
Institutions were unable to enjoy bulk purchase rates when they procured Staff / Dependant cards directly from SingHealth HQ's appointed vendor *or* Institutions' appointed vendors.

2) Long & inefficient process flow
Most institutions procure Staff / Dependant cards through CHR.

CHR would:
i)   Consolidate Institutions' orders
ii) Procure cards from the vendor
iii) Collate weekly order requests
iv) Coordinate cards programming (Staff Card only)
v)   Personalise the cards
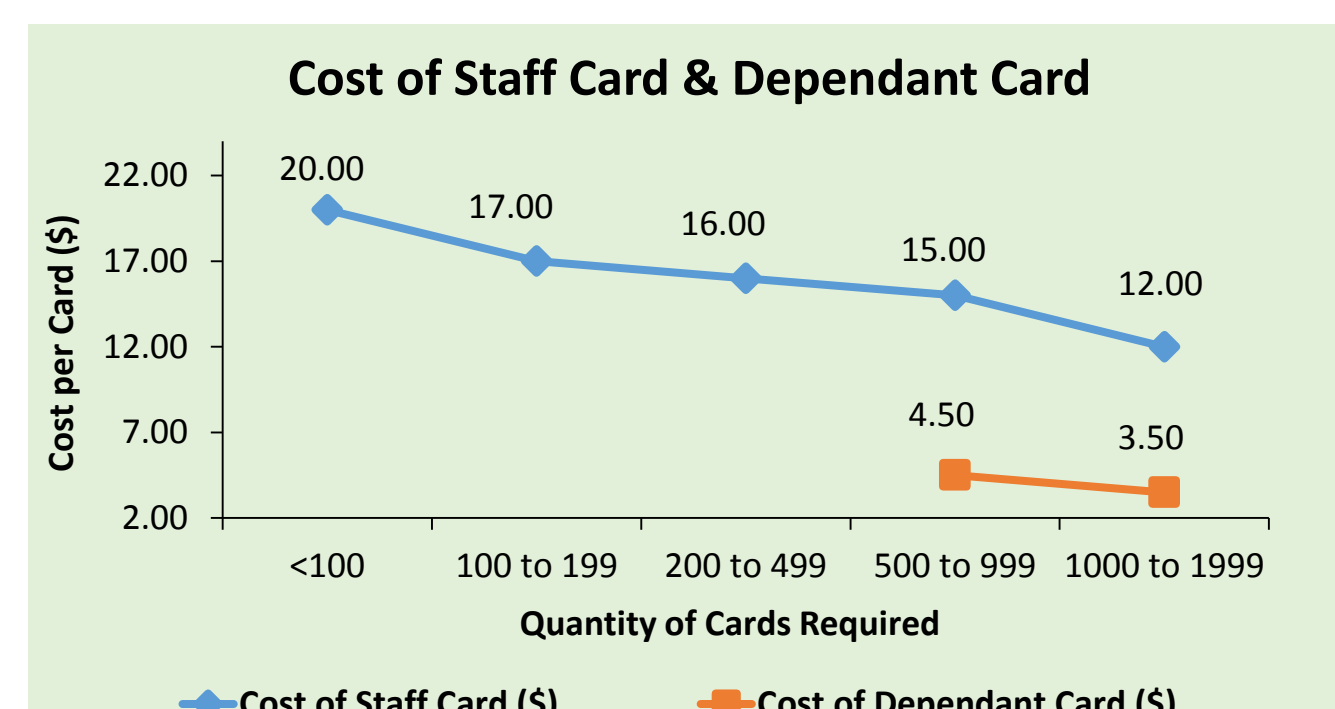vi) Check the cards
vii) Arrange for collection / handover

MEASURE

What are the data[3] gathered to identify the root cause?

A) No. of SingHealth cards requested by Institutions

Card Type	Ave. no. of cards per Institution in a year	Total no. of cards in a year
Staff Card	65	520
Dependant Card	56	500

B) Cost of cards across different tiers

Cost of Staff Card & Dependant Card

Cost of Staff Card ($): 20.00 (<100), 17.00 (100 to 199), 16.00 (200 to 499), 15.00 (500 to 999), 12.00 (1000 to 1999)
Cost of Dependant Card ($): 4.50 (500 to 999), 3.50 (1000 to 1999)

- Cost of Staff Card ($)
- Cost of Dependant Card ($)

The lower the quantity purchased, the higher each card will cost.

C) Turnaround time
10 working days per order cycle.

[3]Before Cluster One-Pricing Model

ANALYZE

What is the root cause of the problem?

1) No economies of scale
Based on the data gathered, the average demand for Staff / Dependant cards from each Institution was low. As such, they were not able to directly and independently procure from the vendor at competitive prices.

2) Long & inefficient process flow
Work is not right-sited to the correct party, leading to long and inefficient processes.

IMPROVE

What is the solution?

CHR introduced the **Cluster One-Pricing Model** in March 2017.

What is Cluster One-Pricing Model?

This model allows SingHealth Institutions to procure Staff / Dependant cards directly and independently from the vendor while enjoying bulk purchase rates.
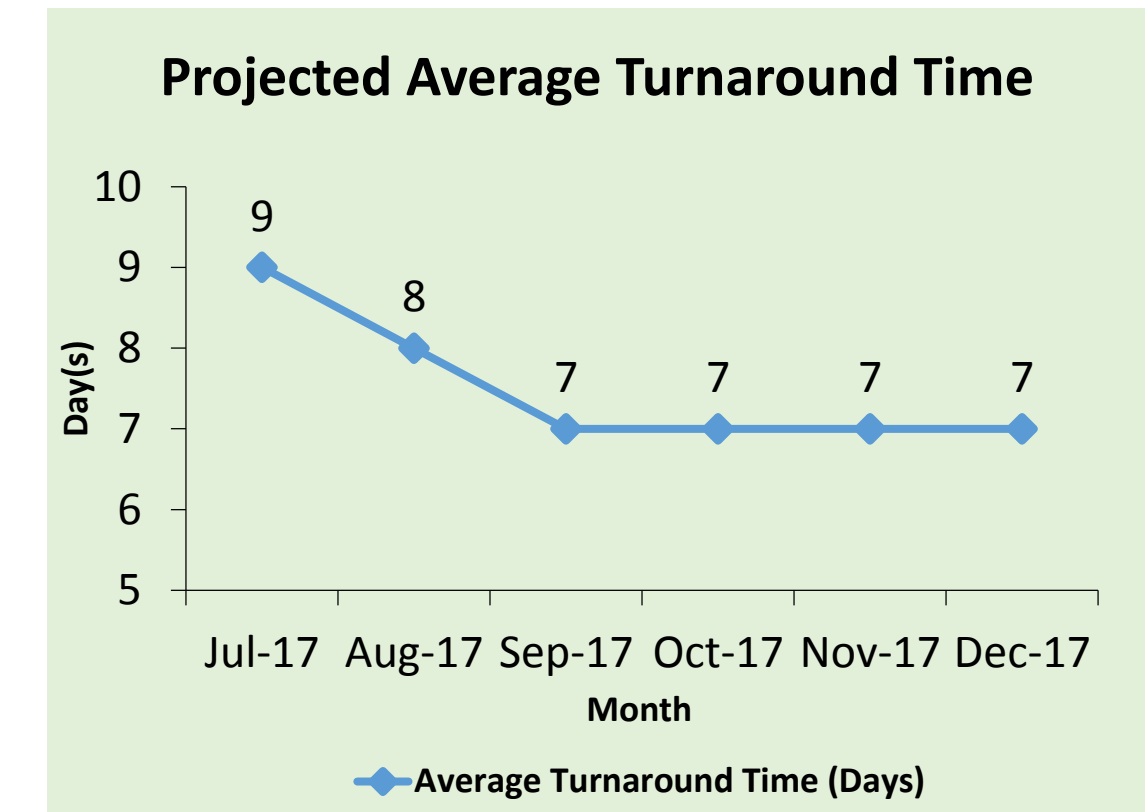
How does it work?

At the start of the year, CHR will do a one-time consolidation of the total quantity of Staff / Dependant cards required from all Institutions. CHR will inform vendor of the consolidated quantity to lock-in the bulk purchase rate. In the course of the year, Institutions can then procure, order, and liaise directly with the vendor.

CONTROL

What can be done to sustain the success?

- Monitor the turnaround time for Staff / Dependant cards regularly and ensure vendor meets the agreed service levels.
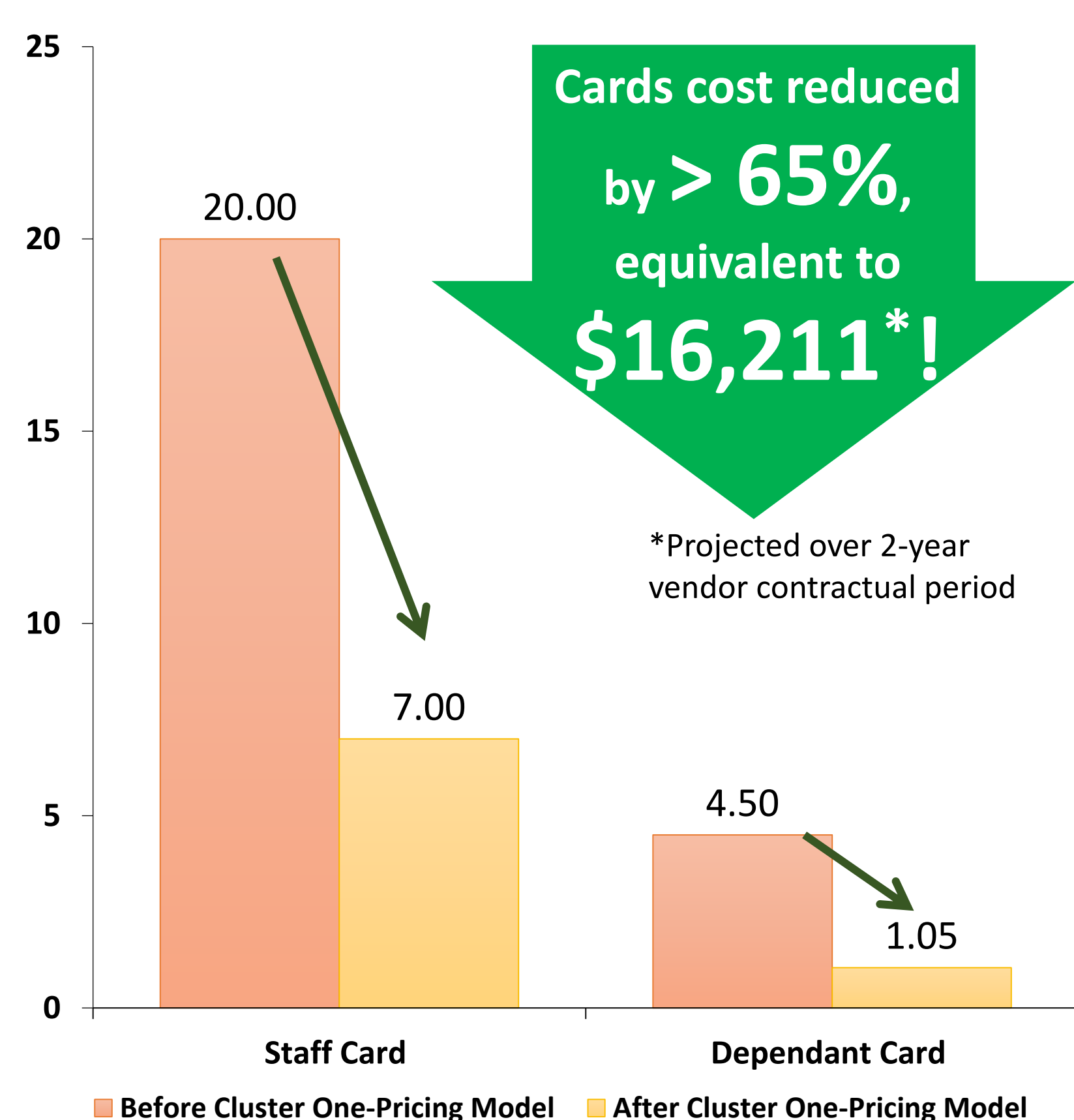
Projected Average Turnaround Time

Average Turnaround Time (Days): Jul-17: 9, Aug-17: 8, Sep-17: 7, Oct-17: 7, Nov-17: 7, Dec-17: 7

- Gather feedback from Institutions' HR on a quarterly basis on the performance of the vendor to ensure quality and standards are met.
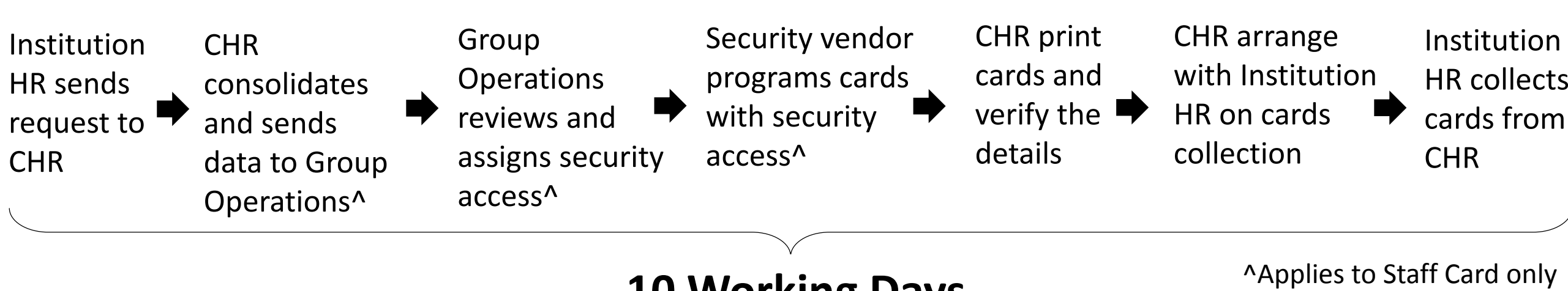
3. RESULTS

A. Cost Savings

With the introduction of the Cluster One-Pricing Model, there is significant cost savings of **more than 65%** for both Staff and Dependant cards, equivalent to **about $16,211** (projected over the 2-year vendor contractual period).

Cards cost reduced by > 65%, equivalent to $16,211*!

*Projected over 2-year vendor contractual period

Staff Card: 20.00 → 7.00
Dependant Card: 4.50 → 1.05

- Before Cluster One-Pricing Model
- After Cluster One-Pricing Model

B. Time and Manpower Cost Savings

The turnaround time to produce the printed cards is **reduced from 10 to 7 working days.** The manpower cost savings is projected to be **approximately $18,000** over the 2-year contractual period with the vendor.
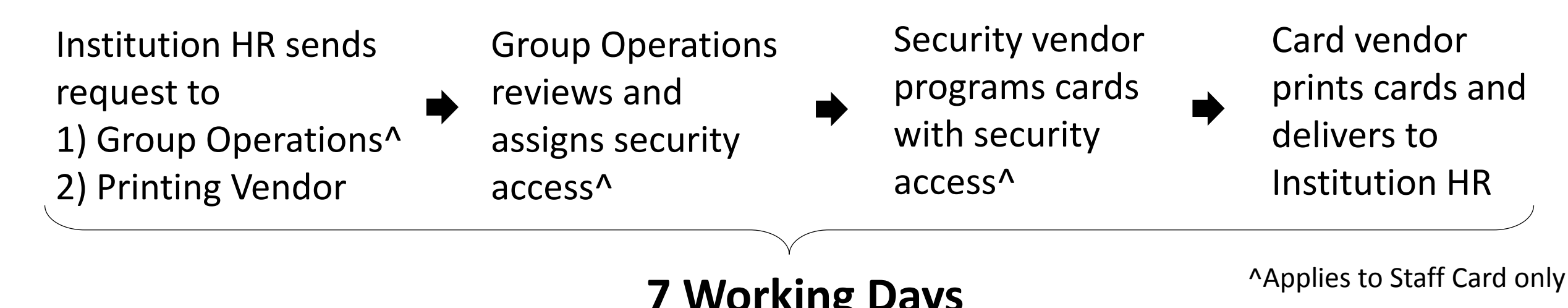
Previous Workflow (Staff / Dependant Card Order)

Institution HR sends request to CHR → CHR consolidates and sends data to Group Operations^ → Group Operations reviews and assigns security access^ → Security vendor programs cards with security access^ → CHR print cards and verify the details → CHR arrange with Institution HR on cards collection → Institution HR collects cards from CHR

10 Working Days

^Applies to Staff Card only

Turnaround time reduced by 30%, equivalent to $18,000* in manpower cost!

*Projected over 2-year vendor contractual period

New Workflow (Staff / Dependant Card Order)

Institution HR sends request to 1) Group Operations^ 2) Printing Vendor → Group Operations reviews and assigns security access^ → Security vendor programs cards with security access^ → Card vendor prints cards and delivers to Institution HR

7 Working Days

^Applies to Staff Card only

C. Other Benefits

Apart from the procurement of Staff / Dependant cards, the Cluster One-Pricing Model concurrently enables SingHealth Institutions to purchase SingHealth Name Tags at competitive rates! The Model has also brought about other benefits to the SingHealth cluster and CHR as shown:

- **Single Contract & Standardised Service Levels**
- **Standardised Design & Product Quality**
- **More Time for Core HR Functions**

Goals Achieved!

4. CONCLUSION

The Cluster One-Pricing Model, applying a "one vendor, one contract, one price" concept, enables SingHealth Institutions to enjoy economies of scale, faster turnaround time while ensuring consistent service levels and quality are met. It also enables SingHealth Institutions to have direct access to the vendors, which helps to streamline and optimise the overall procurement process of Staff ID items. In a nutshell, this results in all stakeholders gaining greater value from the Cluster One-Pricing Model!