Transformation of Healthcare Sourcing Landscape

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National Healthcare Group
Adding years of healthy life

AIMS

As a background, the sourcing process in public healthcare had been highly administrative and manual. In 2013, NHG GPO had successfully led the implementation of E-Procurement system, with **Electronic Sourcing** for the NHG, NUHS and AHS Clusters/Institutions ("NNA"). NNA is the **first mover** to implement Electronic Sourcing in the public healthcare sourcing landscape.

The aims of this Project is to **improve work efficiency**, **governance** and **align the sourcing processes** among NNA Clusters/Institutions.

METHODOLOGY

The deployment for this Project was massive and required detailed planning at each stage - from process mapping, to Supplier summit, to onsite training, to ensure success.

(a) Alignment to a Single Process
Workshops were being conducted to map the current process to future state of electronic sourcing. This allowed NNA to review and align various processes to a single streamlined electronic sourcing process.

(b) Governance
While transforming the way NNA source, constant reviews were conducted to ensure that Electronic Sourcing strengthens and automates the governance requirements while driving work efficiency.

(c) Supplier On-Boarding
Suppliers' base were stratified and prioritized in the initial on-boarding process. Supplier summits were held to communicate to the Suppliers on this Electronic initiative and to encourage registration.

(d) Change Management
Electronic Sourcing was rolled out in **3 Phases**, spanning across **9 Hospitals/Institutions.** Processes were fine-tuned and adjusted in each roll out. There were regular communications, road shows and trainings to ensure buyers were prepared and familiar with the new processes.

Transformation – RFP/Tender Process

RFP/Tender Documents · Non-Disclosure Agreement · Tender Box · Date Stamp

RESULTS

The key areas transformed through implementation of Electronic Sourcing are as follows:

Single and Streamlined Electronic Platform
- All Request for Quotation (RFQ)/Request for Proposal (RFP)/Tender (collectively, "RFX") postings by NNA Clusters/Institutions are streamlined to one single platform. Suppliers can view all healthcare business opportunities in this single platform.

Reduction in Administrative Steps
- Buyers no longer have to manually prepare multiple sets of RFP/Tender documents, collect RFP/Tender document fees from Suppliers and stamp/endorse on the Suppliers' pricing submissions.
- Suppliers need not make multiple trips to the Hospitals/Institutions for collection and submission of RFPs/Tenders.

Strengthening of Governance Control
- Non-Disclosure Agreement (NDA), RFP/Tender fees collection and closing date and time of RFPs/Tenders can be administered and tracked via the system.
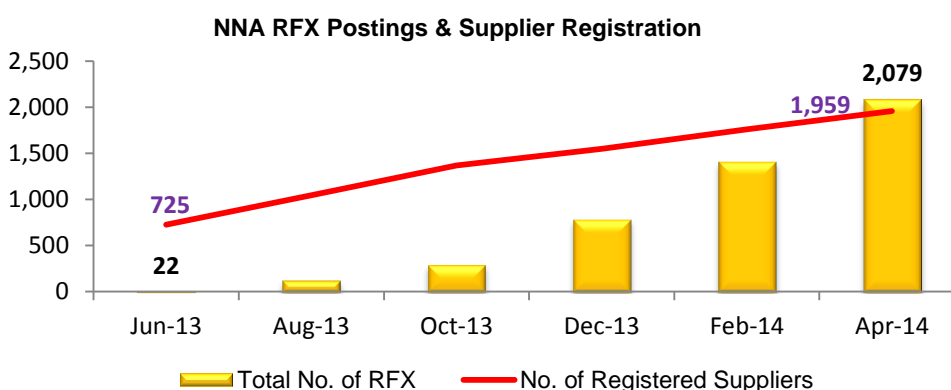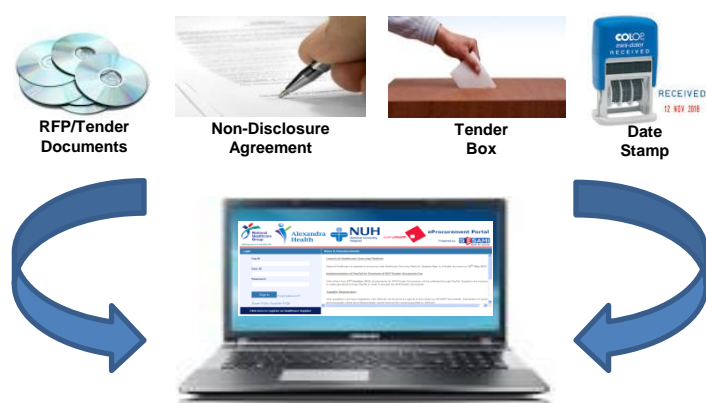- There are traceability in terms of dates and times stamped on the Suppliers' submissions.

Promote Environmental Sustainability
- Hard copy RFP/Tender submissions are no longer required in most submissions. This has significantly reduced paper wastage and in turn conserved our environment.
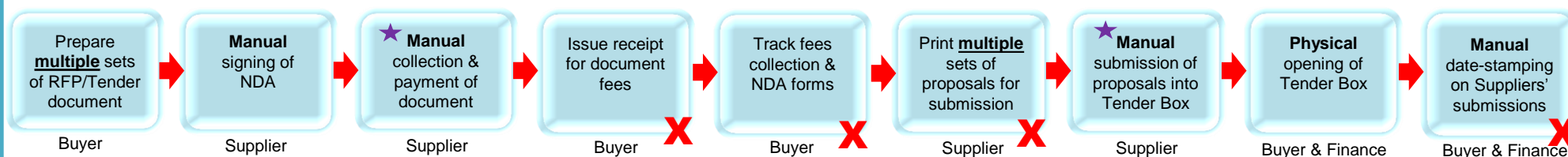
CONCLUSION

A year from implementation, NNA's Electronic Sourcing portal has supported an online community of close to 2,000 Suppliers and 2,079 RFXs. This translated to 173 RFXs called in a month. **Electronic Sourcing has transformed the NNA's Healthcare Sourcing Landscape, from highly manual to electronic process.** The change management has improved the overall productivity, environmental sustainability and governance of healthcare sourcing process.

NNA RFX Postings & Supplier Registration

(Bar chart — Total No. of RFX; Line — No. of Registered Suppliers)

Month	Jun-13	Aug-13	Oct-13	Dec-13	Feb-14	Apr-14
Total No. of RFX	22					2,079
No. of Registered Suppliers	725				1,959	

Y-axis: 0, 500, 1,000, 1,500, 2,000, 2,500

Old Process (Manual Sourcing)

Prepare **multiple** sets of RFP/Tender document	**Manual** signing of NDA	★ **Manual** collection & payment of document	Issue receipt for document fees	Track fees collection & NDA forms	Print **multiple** sets of proposals for submission	★ **Manual** submission of proposals into Tender Box	**Physical** opening of Tender Box	**Manual** date-stamping on Suppliers' submissions
Buyer	Supplier	Supplier	Buyer ✗	Buyer ✗	Supplier ✗	Supplier	Buyer & Finance	Buyer & Finance ✗

Sourcing Transformation

★ **Physical Trip**
✗ **Step Eliminated**

New Process (Electronic Sourcing Portal)

One-time upload of RFP/Tender document	**Online** signing of NDA	**Online** payment & download of document	**Online** submission of proposals	**Online** "opening" of Tender Box
Buyer	Supplier	Supplier	Supplier	Buyer & Finance

Key Achievements

- ✓ Conversion of manual processes to online processes
- ✓ Elimination of physical trips by Suppliers
- ✓ Traceability of NDAs, RFP/Tender document fees and submission dates & times in system
- ✓ Reduction in paper wastage
- ✓ Strengthening of governance