

Product Code Standardization (Pilot-Phase)

Introduction

Why is Product Code so important:

The Importance of Product code is used to provide information of;

- What products are we buying
- Common products bought by more than 1 institutions
- Which suppliers are used
- Cost of the products by different vendors
- Purchasing history and cost analysis
- Budget history on spend and trend

Problem:

- 1) Each Institutions adopt a different Product code structure & Naming Convention
- 2) More than one Product Code can be found for one Product
- 3) Product codes are categorized in the wrong Commodity
- 4) Re-use Obsolete codes for wrong products

Same product but different description given to supplier

Vendor Code	Material Group	Product Code	Product Description
1000002366	M220	1220-01-002-A	Syringe,Plast,L/L,W/O Needle 5ml.,SS+05L
1000002366	M220	1220-01-002-A	Syringe, Luer Lock, w/o needle, 5cc, LT,
1000002366	M220	1220-01-002-A	Syringe, Luer Lock, w/o needle, 5cc, LT,
1000002366	M220	1220-01-002-A	Syringe, Luer Lock, w/o needle, 5cc, LT,
1000002366	M220	1220-01-002-A	Syringe,Plast,L/L,W/O Needle 5ml.

Aim:

- 1) Standardize Product Code and Description across 9 SingHealth institutions
 - A common Product Code and Description Nomenclature
 - Identify Product commodity to review and standardize
- 2) Standardization through Systems Applications Products (SAP) Data conversion
 - Replace old Product code and description in Open Purchase Order, Open Schedule agreement, Outline agreement, Bill of Material, Material Master

Result

- A **harmonized** product code and product description structure is adopted across 9 SingHealth Institutions.
- Identified less complex product commodities to **kick start the project**. 4 commodities were been identified; Apron, Surgical Blade, Patient wrist ID and medical gloves.
- Require **8 scripts to convert existing SAP data** to effect the changes on open PO, schedule agreement, Bill of Material without manually amending the data which require more resources (manpower/time) and reduce error.
- SAP test scripts for **1st revision have been completed**. Currently adding enhancements to the test scripts for 2nd revision.

Result of the total number of codes before and after Standardization.

Example: Glove –reduction of **52%**

Mat Grp	Total	Final	SGH	KKH	NHC	SNEC	NDC	NCC
M-100 (Apron)	5	2	3	1	2	2	1	-
M-112 (Blade)	24	18	17	7	8	5	2	-
M-115 (Band Wrist ID)	9	7	6	8	-	4	3	-
M-162 (Glove)	120	70	71	58	18	38	36	-

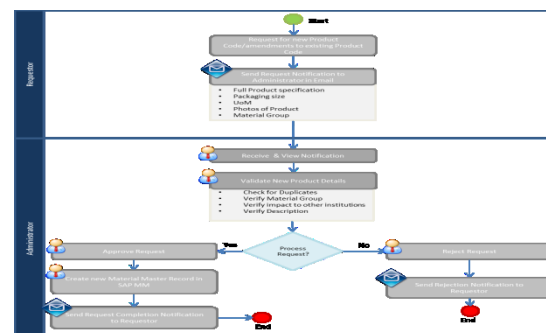
52% reduction

Conclusion

- The Roll out plan should not impact Institutions' operations as we review "bite size" commodities and the plan is to implement by phases (institutions).
- Collaboration with each institution (Purchasing /Logistics)is required to ensure the accuracy of data conversion.
- Centralization of a dedicated team to manage Change Request for Code creation and Code amendment is of paramount importance.
- There are more opportunities besides Standardization of internal codes. This project will help in preparation of the following projects to come;
 1. Facilitate **Track and Trace (GS1)** of implanted medical devices/consumables to improve Patient Safety and Supply Chain Efficiency.
 2. Align with stock and non-stock items of eCatalog of the cloud-based Procurement Solution (**e-Procurement**).

Methodology

- a) Develop a process and Governance framework in Change Request for Code Creation and Amendment



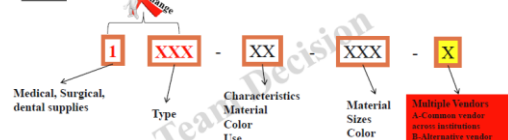
- b) Develop a Governance framework in Product Code Structure & Naming Convention

Code & Description:

Option 1

Type, Material, Size, Color, Sterility, Use (single/reuse), Characteristics (use for/purpose)

Code:



Description:



- c) Identify 3 to 5 simple and less complex product commodities to clean-up
- d) Require SAP scripts (program) to perform data conversion of old product codes and description to new ones
- e) Conduct scripts testing for Purchasing/Logistics to ensure scripts convert data accurately
- f) Rollout plan is managed in phases specific by product commodities and institutions