



Singapore Healthcare  
Management 2019

# PROCUREMENT PROCESS IMPROVEMENT IN ST LUKE'S ELDERCARE

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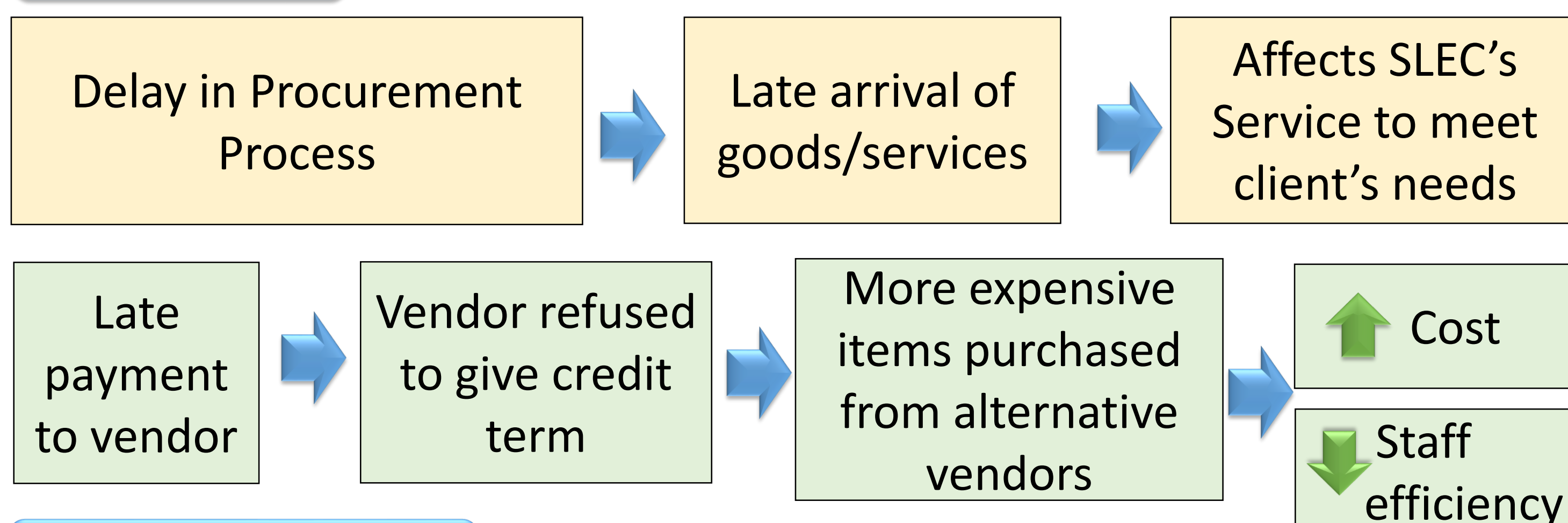
## BACKGROUND

St Luke's ElderCare (SLEC) procurement team, consisting of 1.5 executive and 1 manager, processed 800 purchase orders (PO) for 22 centres and 8 HQ departments in 2017. Purchase requisitions (PR) and PO were created and tracked using excel. In light of organisational growth, there was a need to streamline and improve the efficiency of our procurement processes.

### People involved in the procurement process:

**Users:** Admins, Therapists, Centre Managers (CM)  
**Vendor:** ~ 250  
**Approver:** 22 CMs, 4 Cluster CMs, 8 HODs, COO, CEO  
**Procurement Executive:** 1.5  
**Procurement Manager:** 1  
**Procurement HOD:** 1  
**Experts:** IT, Facilities, Corporate Communication  
**Finance Executive (AP)** 3  
**Finance Director:** 1

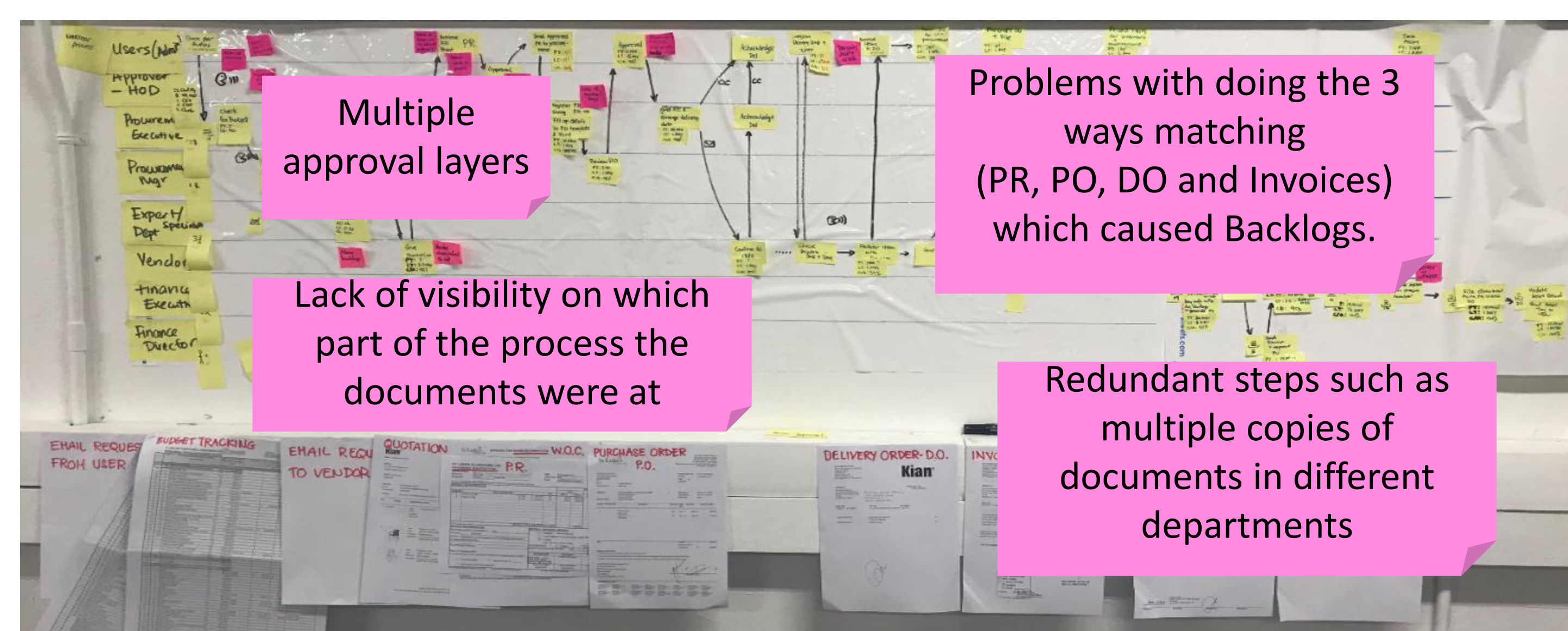
## PROBLEMS



## METHODOLOGY

A lean management tool, A3 method, was used to evaluate and improve the process. A team consisting of staff from the procurement unit, finance department and centre user, with support from lean experts from SIT and Lean Global Network was formed.

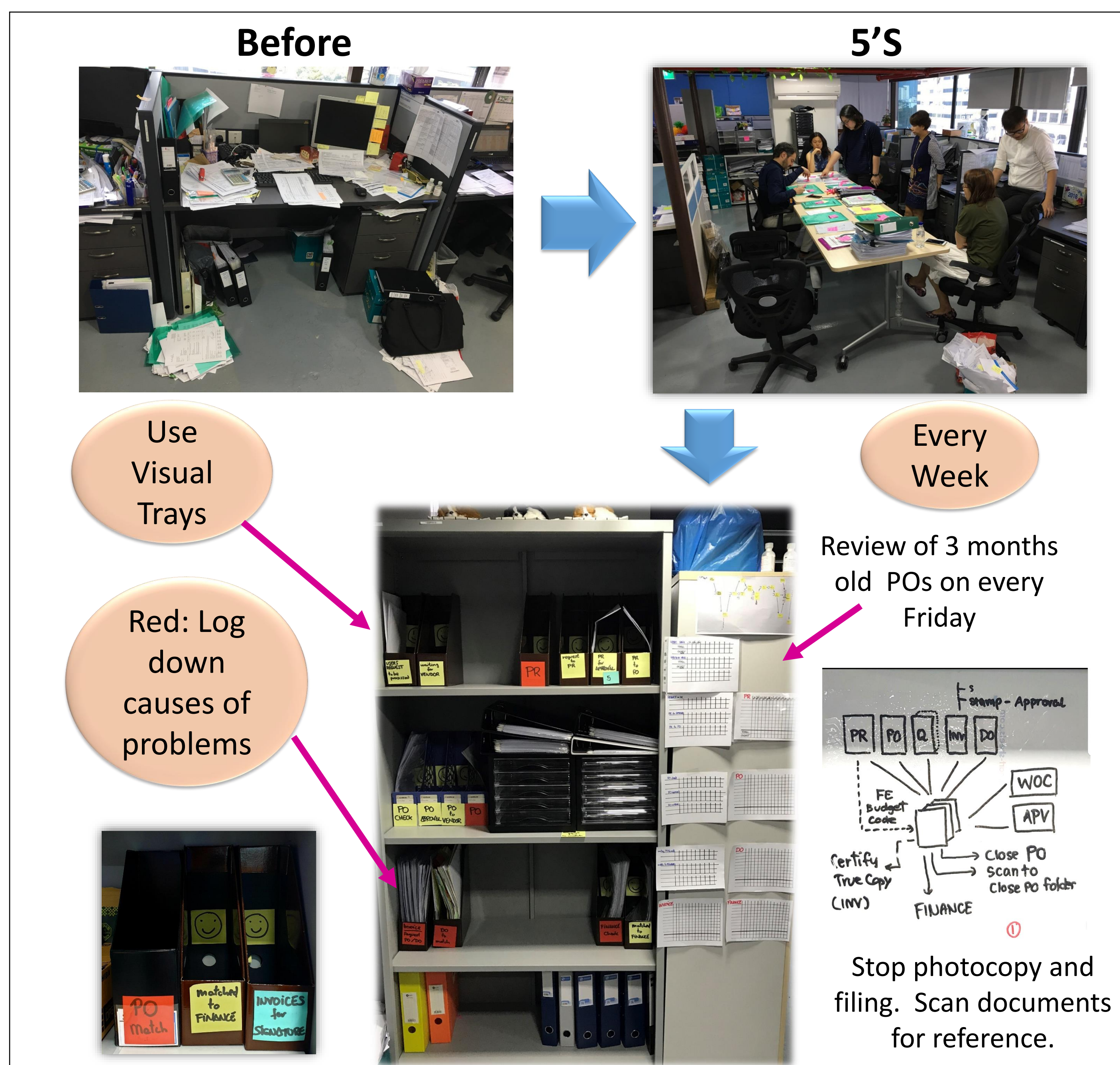
A Value Stream Mapping (VSM) was conducted in April 2018 and issues identified included:



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

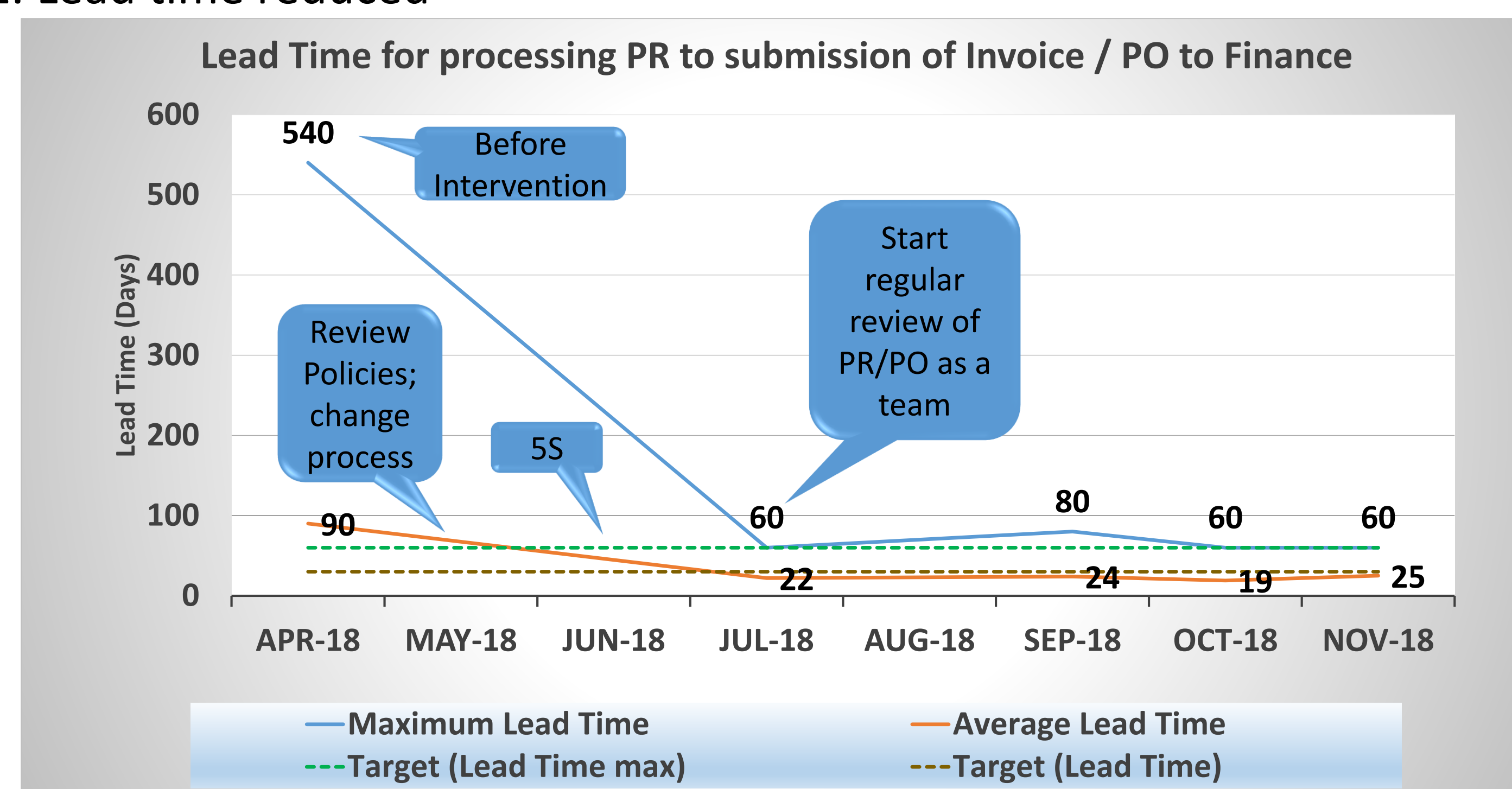
SN	Action	Lead
1	Make budget known	FIN
2	Review system to make budget known	FIN
3	Review process – to shift seeking expert advice upstream	PROCUREMENT
4	Review policy – need to approval from authority, especially for budgeted item?	PROCUREMENT
5	Create procedure – need for D(Ops) to check PO after it is checked by Procurement Manager?	PROCUREMENT
6	Review process – match invoice, DO, PO	PROCUREMENT
7	No photocopying of document by Proc	PROCUREMENT
8	Review system – explore new software system(s)	FINANCE / PROCUREMENT
9	Review mode of payment – cheque printing etc	FINANCE

The team also did a 5S in June 2018 to ensure a suitable environment for the implementation of new processes. Visual management tools and tracking of outstanding documents were used in Aug 2018 to further improve the process and to ensure sustainability.



## RESULTS

### 1. Lead time reduced



### 2. Number of pending documents reduced

	Initial (Apr-18)	Target	Jun-18	Sep-18	Oct-18	Nov-18
No. of Documents still being processed that are dated > 3 months old	76	0	25	26	14	2

**Legend:** Lead Time = Time from receipt of PR to submission of PO, DO & Invoices to Finance for payment  
Lead Time (max) = The longest lead time (3 months)

## 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.*