

# Transforming Sourcing Process to Meet Future Challenges

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SingHealth Academic Healthcare Cluster

PATIENTS. AT THE HE<sup>ART</sup> OF ALL WE DO.®

Partner in  
Academic Medicine



Singapore  
General Hospital



KK Women's and  
Children's Hospital



National Cancer  
Centre Singapore



National Dental  
Centre Singapore



National Heart  
Centre Singapore



National  
Neuroscience Institute



Singapore National  
Eye Centre



Polyclinics  
SingHealth



Bright Vision  
Hospital

Sengkang  
Health

DUKE-NUS  
GRADUATE MEDICAL SCHOOL SINGAPORE

## TYPES OF PROCUREMENT IN HEALTHCARE STRATEGIC SOURCING

### High Preference Supplies

- Cardiology stents, balloons, PTCA wires
- Orthopaedics implants - Trauma, Hip
- Sutures

### “Low” Preference

- Needles & syringes
- Soft goods - surgical masks, bandages, diapers, tapes
- Uniforms and linens
- Catheters and tubes
- X-ray films
- Contrast media
- Reagents

### In The Beginning

#### Focus on Total Cost of Ownership:

- Standardisation
- Rationalisation of Supply Base
- Engage champions to drive cost down
- Practice new sourcing skills
- Team members draw from existing network

# GPO GRADUALLY EXPANDED ITS COVERAGE FROM 2004 TO 2010

## High Preference Supplies

- Orthopaedics Implants - sports medicine, pulse irrigation system
- Radiology supplies - guidewires, catheters, needles & stents

## “Low” Preference

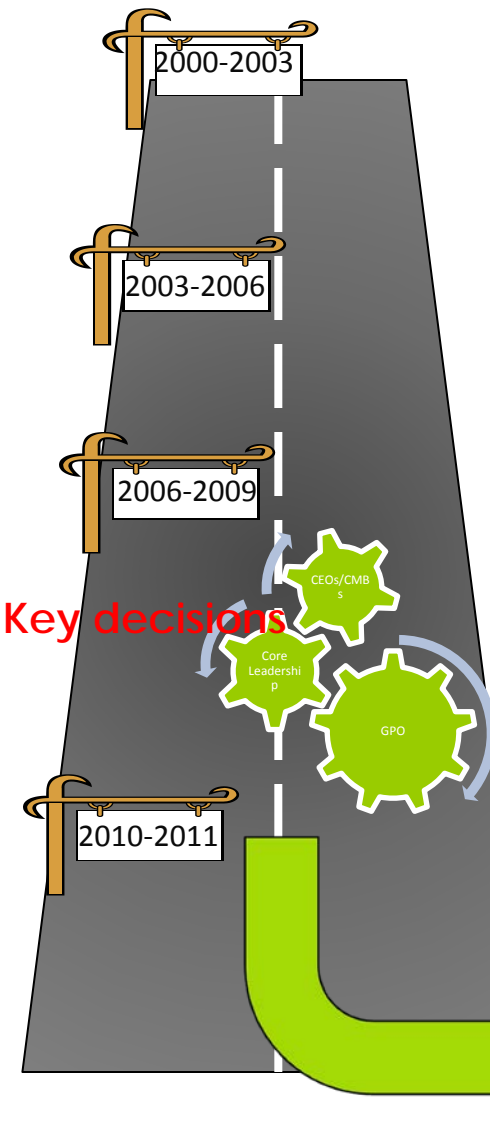
- Wipes
- Non-surgery gloves
- Office supplies / disposables
- Sharp container
- Lancets
- Toiletries pouch
- Vacutainer blood collection system
- Anaesthetics supplies

## Laying the foundation

### Expand Spend Coverage:

- Add new spend like CAPEX, energy.
- Deepen engagement with stakeholders
- Communicate outcome and create awareness
- Begin supply chain education
- Extend to ILTC Sector
- Inject new members from different existing network

# GPO Version 1.0 : Key Milestones & Accomplishments



Key decisions

- Formation of GPO Pharma, responsible for consolidated drug purchases @ National level
- Formation of GPO Non Pharma, deployed strategic sourcing for 23 workstreams (Soft Goods, Inplants)
- One GPO team (consolidating Pharma & Non Pharma) @ cluster level

- Drug catalog upgrade
  - Harmonization of non-pharma product codes
  - Harmonized procurement policies across SHS cluster
- First \$100M cumm savings

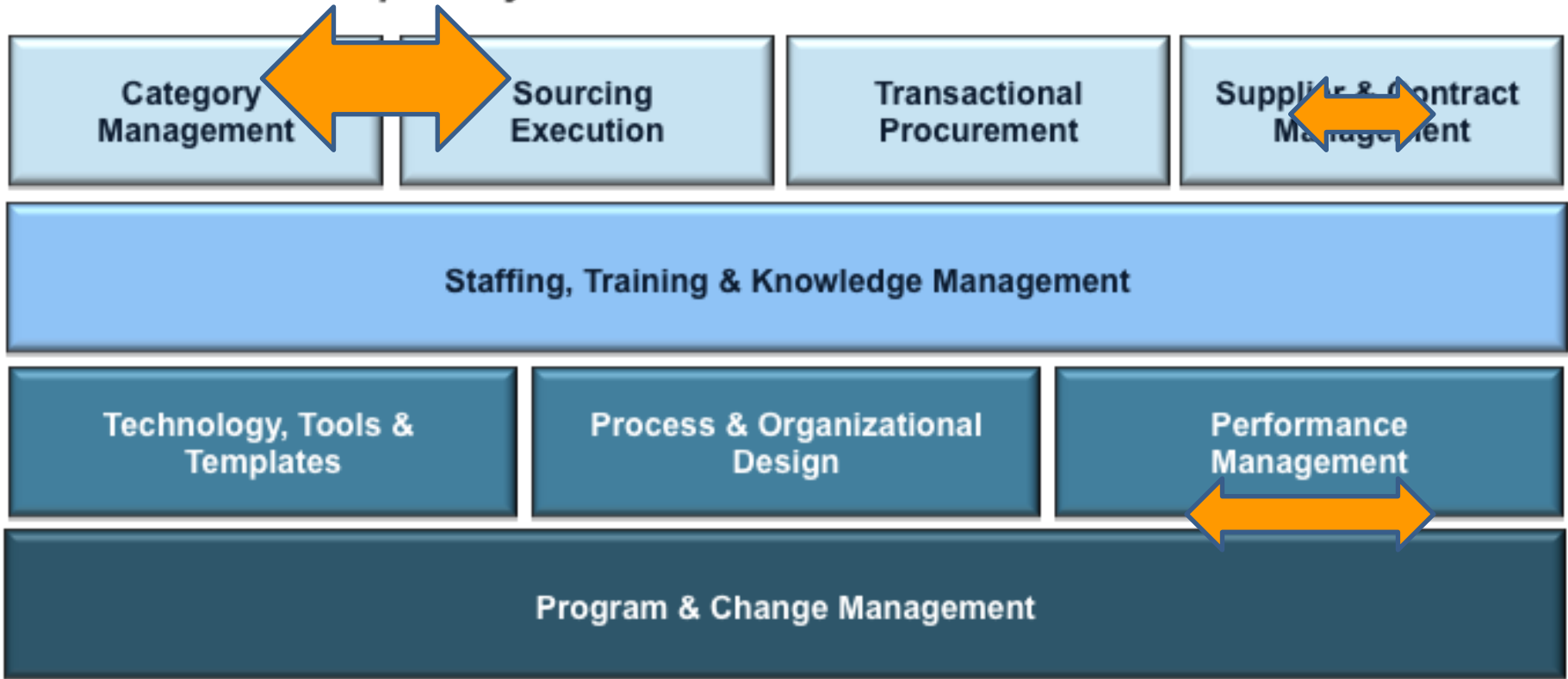
- Launched group equipment/technology standardization & purchases
- Internship program w Temasek Poly & NUS : healthcare SC program

- GPO partners AIC for shared procurement service for 30 VVO homes
  - Launched SC Congress
  - Launched GPO Book
- Second \$100M cumm savings

**Enabling GPO 2.0 : Scaling to new heights**

- Oct 2009 - All CEOs/CMBs endorsed consolidation of institution MMD teams to GPO Oct 2009
- Aug 2011 – MMDs consolidation to GPO takes effect!

## Denali Group's Key Dimensions of Procurement Transformation



# AFTER 2010 - GPO 2.0 : Our Next Lap

## Vision

*To be the key driver of cost management and operational excellence in the healthcare supply chain*

## Mission

*Reduction of Total Cost of Ownership in technology, supplies & services through:*

- *Innovation & thought leadership*
- *External collaborations*
- *Stakeholders engagement*



# KEY INITIATIVES

## Strategic Objective

## Initiative

### ***Governance & Finance***

#### *Contribute to Financial Sustainability*





- Reduce annual spend
  - Increase strategic sourcing & consolidated buy opportunities
  - Increased efficiencies in Supply Chain

#### *Enterprise Risk Management*




- Implementation of Key Risk Mitigation Plans
- Enhance framework for
  - Supplier risk management
  - Support for National Emergencies
    - At a SingHealth level, monitoring of stockpiles of PPE & emergency supplies for operational readiness (7d)

# KEY INITIATIVES

Strategic Objective	Initiative
<b><i>Operational Excellence</i></b>	
<p data-bbox="59 372 566 468"><i>Enhance Supply Chain Networking &amp; Connectivity</i></p> 	<ul data-bbox="614 372 1580 853" style="list-style-type: none"><li>• Transform Supply Chain w enabling technologies<ul data-bbox="710 425 1416 558" style="list-style-type: none"><li>○ eProcurement</li><li>○ Track &amp; Trace (design for patient safety)</li><li>○ Supply Chain &amp; Partners' Portal</li></ul></li><li>• Reengineer procurement work processes<ul data-bbox="710 668 1396 753" style="list-style-type: none"><li>○ Standardizations of policy &amp; processes</li><li>○ Install governance framework</li></ul></li><li>• Deploying Data Analytics</li></ul>
<p data-bbox="59 891 436 982"><i>Strengthen external collaborations</i></p> 	<ul data-bbox="614 891 1435 1025" style="list-style-type: none"><li>• Build supplier management framework<ul data-bbox="710 943 1435 1025" style="list-style-type: none"><li>○ Supplier forum @ The Academia, 15 Nov</li><li>○ Supplier Performance Scorecard</li></ul></li></ul>



# KEY INITIATIVES

Strategic Objective	Initiative
<b><i>Operational excellence (cont'd)</i></b>	
<p data-bbox="112 486 610 589"><i>Enabling infrastructure &amp; capacity for growth.</i></p> 	<ul data-bbox="739 486 1875 929" style="list-style-type: none"><li>• Enable bandwidth for growth in capacity and demands from institutions (new buildings, community hospitals)</li><li>• Strengthen site support to stakeholders</li><li>• Develop adequate support processes for research procurement</li></ul>

## SOME LESSONS LEARNT

Don't sit still, keep looking for  
continuous improvement and  
add value

# List of Category

No	Category	Description	# of Items	Estimated RFP/ITQ
1	Beds and Accessories	Bed, Side cabinet, Overbed table etc	7	May 2014
2	Wheelchairs & Minor Equipment	Wheel Chair, Hoist, Examination couch, Mobility Equipment	11	May 2014
3	Linen / Curtains	Curtain, Bedsheet, Blanket, Pillow, Pillow case	8	May 2014
4	Diagnostic Medical Equipment / Medical Refrigerator	ECG, ENT, Glucometer, Oximeter etc	16	May 2014
5	Electrical - Commercial	Equipment use at pantry, staff Quarters, Fridge, Microwave oven, TV etc	14	June 2014
6	Electrical - Housekeeping	Auto Scrubber, Blower, Power Jet, Vacuum Cleaner	5	June 2014
7	Trolleys	Case Note, Dressing, Sponging, Linen, Laundry	14	June 2014
8	Bedpan Sanitizers & Sterilizers	Autoclave, Sterilizer, Bedpan etc	4	June 2014
9	Office Furniture	Table & Chair	4	July 2014
10	Printer & Copies & Projector		2	July 2014
11	Rehab Equipment		13	Sept 2014
12	Electrical - Industrial (Heavy Duty)	Kitchen, Store Room – Chiller, Freezer, Dish Washer, Rice cooker, Combi Oven, Fan etc	13	Phase 2
13	Electrical - Industrial (Heavy Duty) - Laundry	Washer Extractor, Dryer, Ironer	3	Phase 2
14	Food Trolley	Food Warmer	1	Phase 2
15	Customised Kitchen	The customised kitchen fixture	35	Phase 2
<b>Total</b>			<b>150</b>	

Procurement Leads must  
deepen engagement with  
stakeholders

–

relationship is the key to any  
successful partnership !

## SOME LESSONS LEARNT

Put yourself in the shoes of users to appreciate their operational concerns

–

we gain better insights on why products / services “make sense” to them.

## SOME LESSONS LEARNT

Cost is important, but weigh them carefully to minimise the unintended outcome that may jeopardise operational work.

Compliance tracking  
can help to arrest potential  
problem before it becomes a  
major issue !

## SOME LESSONS LEARNT

Collaborate with external agencies to broaden our perspectives

–

Learn from those with experience,  
not necessary the best



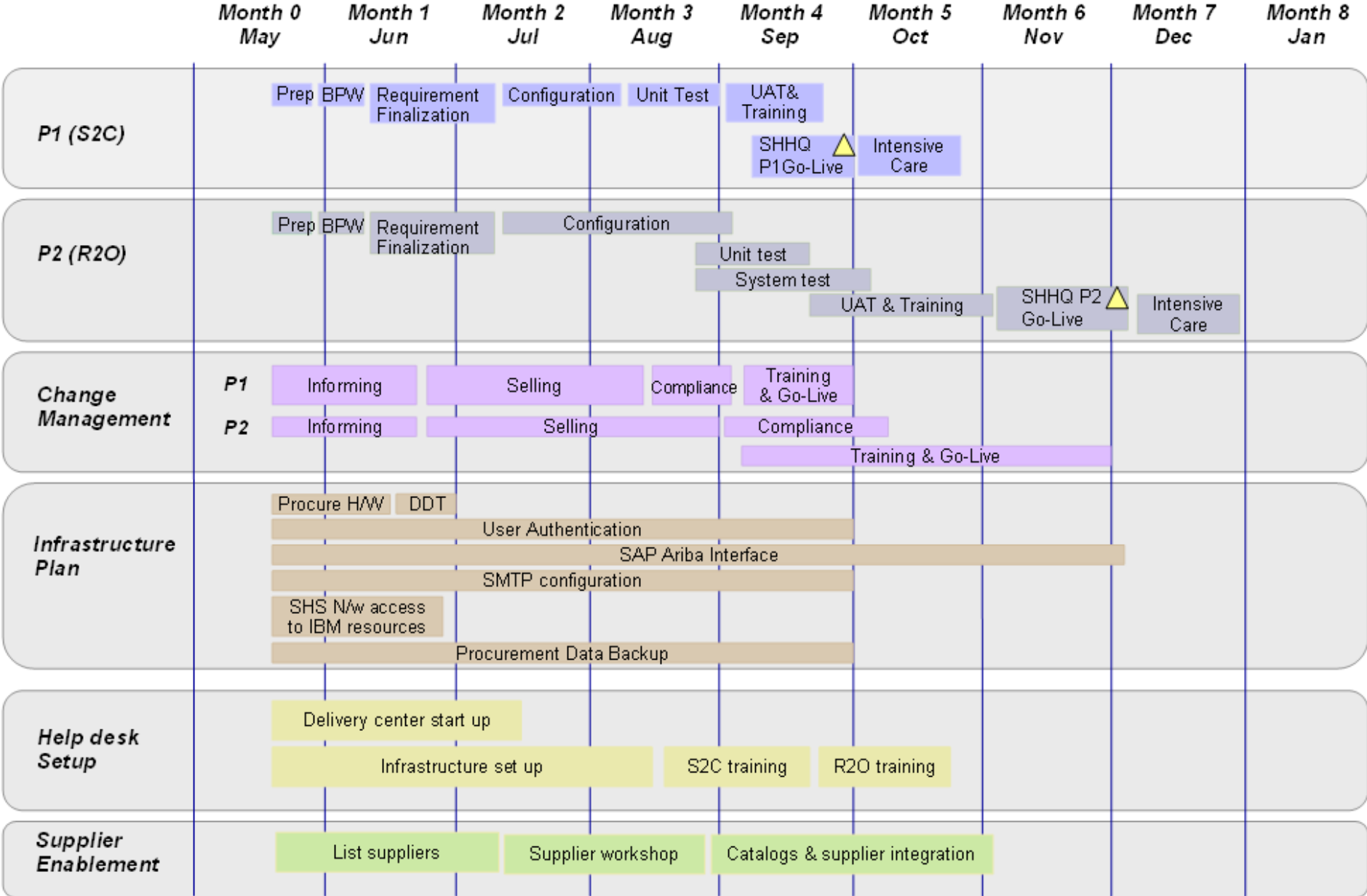
## SOME LESSONS LEARNT

Engage suppliers to understand their challenges & constraints and cost drivers.

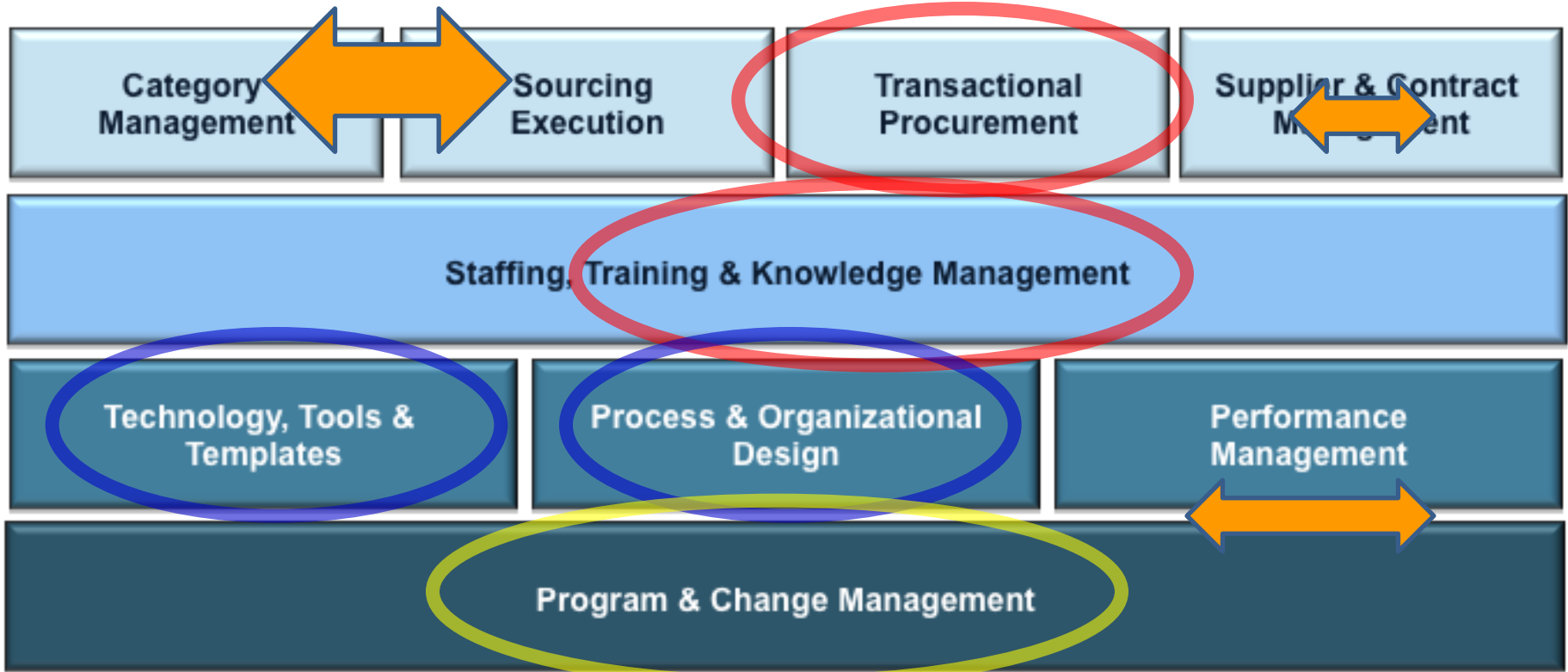
## SOME LESSONS LEARNT

Develop new competencies  
from recruiting / developing  
staff with new capabilities

# SingHealth e-Procurement Project Implementation Overview



## Denali Group's Key Dimensions of Procurement Transformation



# HOW CAN TECHNOLOGY HELP US?

- Make it easier for our end users to buy products / services from a single portal
- Automate procurement process to reduce some manual tasks
- Make better use of spend data – easier to extract and data analytics
- Standardise product description
- Provide visibility for contract pricing
- Single platform for all sourcing events

# Thank You