Clinically Led Collaborative Procurement in the NHS
- Making Programmes Work

James Gooding - Programme Director
NHS Shared Business Services

A celebration of those ‘light bulb moments’ that are transforming patient experience and care across the North West
Making Clinical Collaborative Procurement Work

• Justifying collaborative procurement
• Organising for collaborative programme
• Obstacles and solutions
• Driving results and continued activity
Justifying collaboration

The QIPP Challenge

QIPP

“Only by driving up quality and productivity together can we realise the £15-20bn savings needed by 2013/14 to reinvest in meeting the increasing demand and patient expectations.

That is why the Quality, Innovation, Productivity and Prevention (QIPP) challenge has been and will continue to be of central importance.”

SIR DAVID NICHOLSON, NHS CHIEF EXECUTIVE, LIBERATING THE NHS: MANAGING THE TRANSITION, JULY 2010

North West savings target
£2.9bn;
72,500 people
Justifying collaboration

Collaboration is challenging, but the rewards are significant

Benefits

- Improved patient outcomes
- Sharing best practice
- Stronger procurement & clinician relationships
- Better value
- Commercial leverage

Challenges

- Clinical compromise
- Greater complexity
- Resource required

NHS Q.I.
Organising for Collaboration
- SAP phase 1 approach

• Establish a cohort of 10 willing Trusts
• Exec level sponsors to drive the programme
• Utilise..
  – Committed expenditure
  – Standardisation and rationalisation of products
  – Supplier rationalisation

..to
  – Deliver cost reductions
  – Drive efficiency and improvements in patient care
  – Prove the concept
Organising for Collaboration - Governance

Executive Level

Steering Board

Medical Director Level

Clinical Board

Procurement Lead Level

Operational Delivery Group

Clinical Chair
SAP Project Manager
Clinical Staff
Procurement Staff

Orthopaedics Project Team
Audiology Project Team
Endosurgery & Laparoscopy Project Team
Sutures Project Team
Ophthalmics Project Team

NHSQI
Organising for Collaboration
- Criteria for Participation

Trust Capability Criteria:
• Shared vision of future challenges
• Evidence of a willingness to collaborate
• Strong focus on procurement KPIs and compliance
• Pro-active local procurement team
• Progressing towards a single P2P solution
• Implementation of GHX / NEXUS
• Cultural fit with objectives of the Programme
• Influential Trust to act as champion for programme
• Scale of spend that can be influenced
Organising for Collaboration  
- Criteria for Participation  

Main Rules of Engagement:  
• A true commitment to collaborative contracts  
• Alignment of executive, clinical and procurement leads  
• Clinically led standardisation and rationalisation  
• Aligned supplier engagement/communication strategy  
• Drive implementation and compliance  
• ‘Maverick’ spend to be dealt with  
• Longer term commitment to strategic suppliers if appropriate  
• Pathway review, including right products for the task
## Obstacles and Solutions
- Root causes of issues

<table>
<thead>
<tr>
<th></th>
<th>Access to Intelligence &amp; Data</th>
<th>Commercial Awareness of Spend Category</th>
<th>Client/Supplier Relations</th>
<th>Product Preferences</th>
<th>Perceived Risk of Change</th>
<th>Fear of Financial Implications</th>
<th>Resource Limitations</th>
<th>Lack of Internal Trust Influence</th>
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<td>Trust Clinicians</td>
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<td>Suppliers</td>
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**Strategic Insight**

**Strategic Alignment**

**Implementation**

**NHSQ.I.**
## Obstacles and Solutions
- **Symptom and Resolutions**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Active Executive Support</th>
<th>Clarity of Responsibilities and Deadlines</th>
<th>Peer Influence and Objective Clinical Support</th>
<th>Advanced Planning of Activities</th>
<th>Good Market Management</th>
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<tbody>
<tr>
<td>Lack of product code level data</td>
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<td>Specification Identification &amp; Standardisation</td>
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<td>Project meeting attendance</td>
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<td>Unplanned supplier communications</td>
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<td>Reluctance of clinicians to implement change</td>
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<td>Supplier efforts to undermine process</td>
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<td>Supplier resource to support change</td>
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<td>Trust support for change</td>
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<td>Lack of wider clinical ownership</td>
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<td>Slow decision making</td>
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<td>Delayed implementation of change</td>
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Obstacles and Solutions

Practical resolutions require effort on all fronts

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<th>Trust Solution</th>
<th>Programme Solutions</th>
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<tr>
<td>Executive Mandate</td>
<td>NHS SBS Collaborative Project Resource</td>
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<td>Trust Commitment to Data Return Deadlines</td>
<td>NHS SBS Data Analysis Resource</td>
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<tr>
<td>Committed Clinical and Commercial Resource</td>
<td>NHS SBS Category Management Expertise</td>
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<tr>
<td>Clinician Support from Trust Procurement</td>
<td>Clinically Chaired Project Teams</td>
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<td>Robust Planning of Trust Implementation</td>
<td>Strong Governance &amp; Good Project Mgt</td>
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<td>Consistent Messaging to Suppliers</td>
<td>Central Point for Supplier Liaison</td>
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Programme Solutions

ISSUE RESOLUTION
The SAP Programme has implemented robust projects to secure £2.5m in savings opportunities.

A 19% average cost reduction in external spend across the targeted spend areas.

£1.7m of these savings have been secured by the project and a further £0.8m is targeted for implementation in the next few months.

Following the success of phase 1, a second phase of activity is due to start Q4 2012.
Continuing Activity
*Take the Learning from Phase 1 and expand the opportunity*

**Ambition**
- Draw in a larger number of Trusts
- Use the refined methodology to produce faster results
- Drive longer term strategies within challenging markets
- Target supply optimisation as well as supplier margins
- Lead with opportunities, then identify best fit Trusts