



**YOUR  
ORDER  
PROCESS  
SUCKS!**

**NOT TO WORRY THOUGH,  
WE HAVE A SOLUTION**

**Okay, in truth, the current  
process is reasonably good.**



**But it could  
be better**



Unfortunately, if it's not doing  
as well as it could, you're  
losing money...







Not that you need telling –  
you're senior hospital executives!

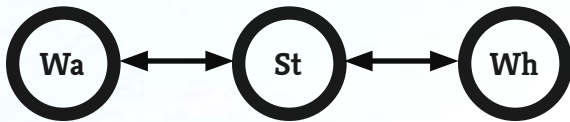


**So what exactly is wrong  
with the current process?**

There are a few

# REDUNDANCIES

e.g. the hospital stores



It is

**INEFFICIENT AND EXPENSIVE**

On average, it costs

**\$39.91**

for every daily order process

&

**\$87.40**

for every weekly order process



It is

# INEFFICIENT AND EXPENSIVE

On average, it takes about

**10 hours** and **45 minutes** to complete a daily order



But only about

**1 hours** and **45 minutes** is actually spent working



It is

# INEFFICIENT AND EXPENSIVE

On average, it takes about

**14 hours** and **35 minutes** to complete a weekly order



But only about

**3 hours** and **20 minutes** is actually spent working




It is

# **INEFFICIENT AND EXPENSIVE**

- There is a significant wait time to receive goods into wards if the item is out of stock
- Checking if an item is out of stock also takes time and is a manual process
- Plus many more issues



A man with a beard and short hair, wearing a blue t-shirt and denim overalls, stands outdoors. He is holding a shovel with both hands. The background shows a body of water and some greenery. The man's t-shirt has the name "KEVIN PARKER" printed on it.

Will someone  
please think of  
the trees?! ~.....

Then there's the

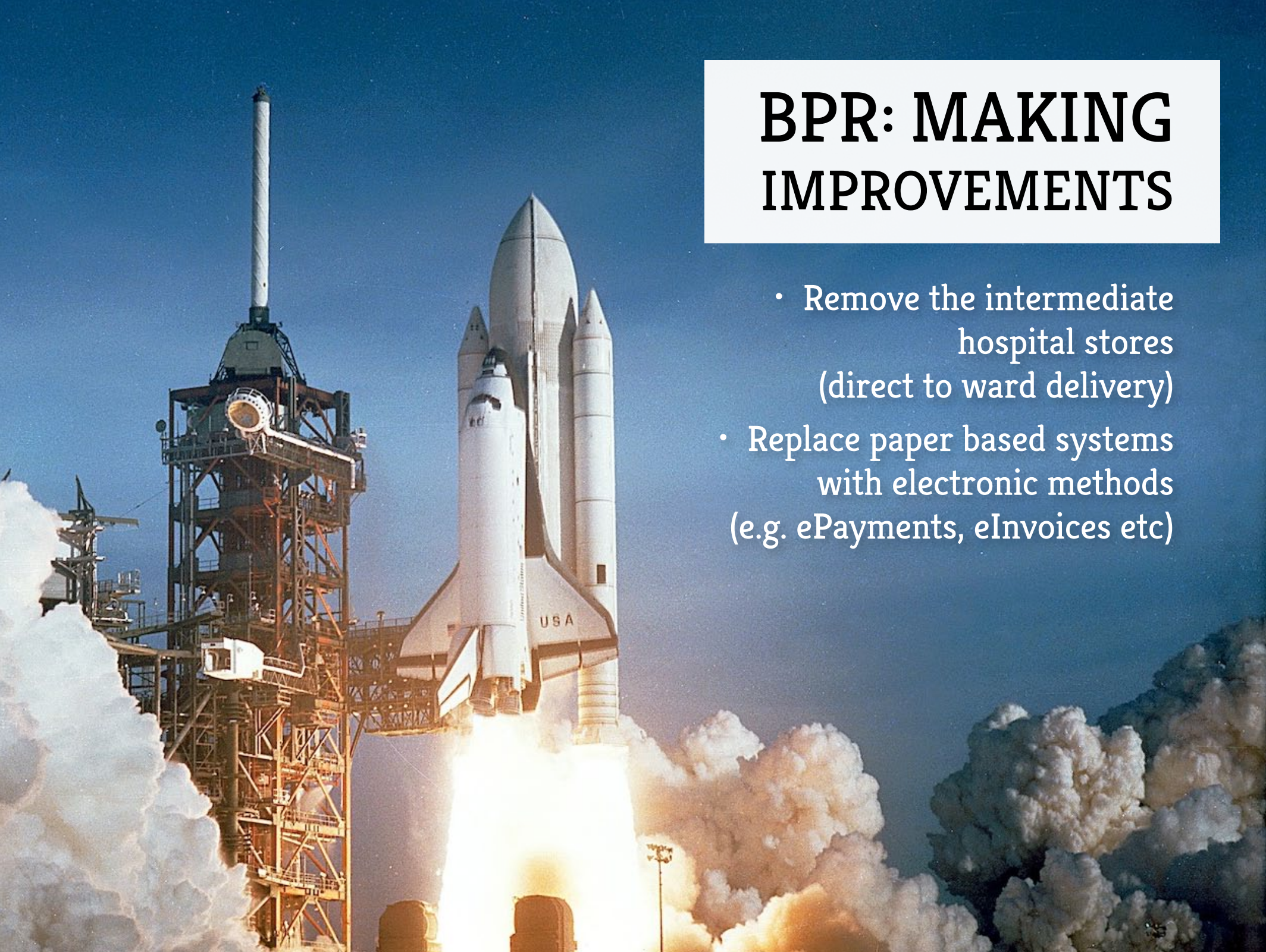
# MANUAL WORK

- There are too many paper forms and outdated technologies like faxes and cheques
- Paper-based systems are prone to error



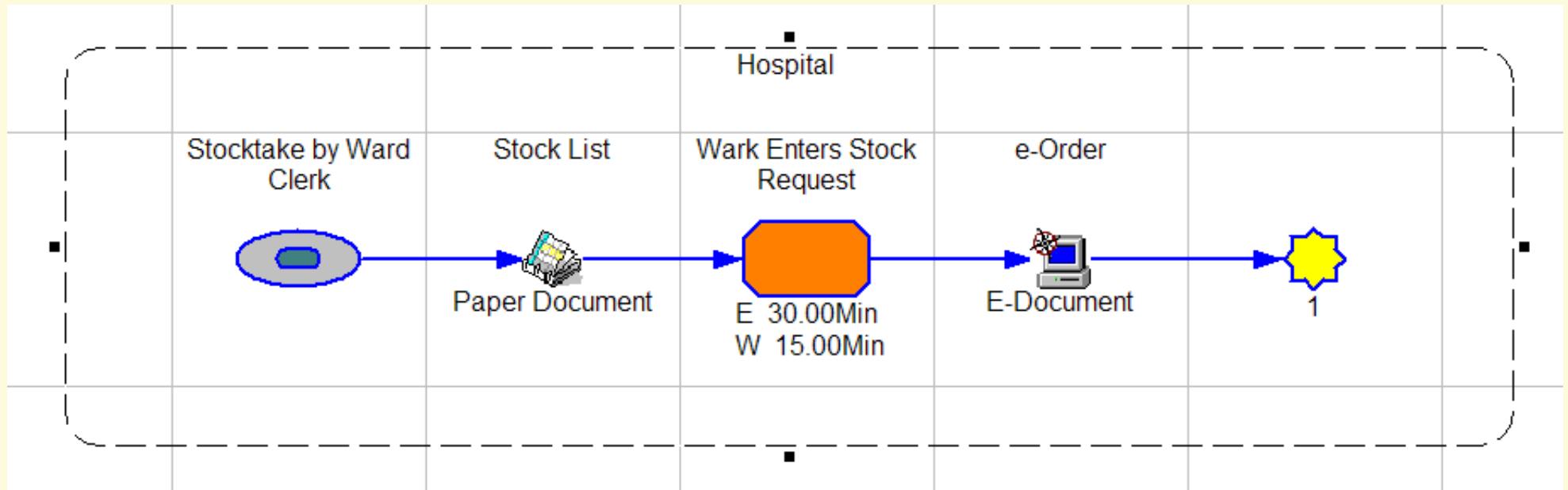
# BPR: MAKING IMPROVEMENTS

- Remove the intermediate hospital stores (direct to ward delivery)
- Replace paper based systems with electronic methods (e.g. ePayments, eInvoices etc)



Stage 1

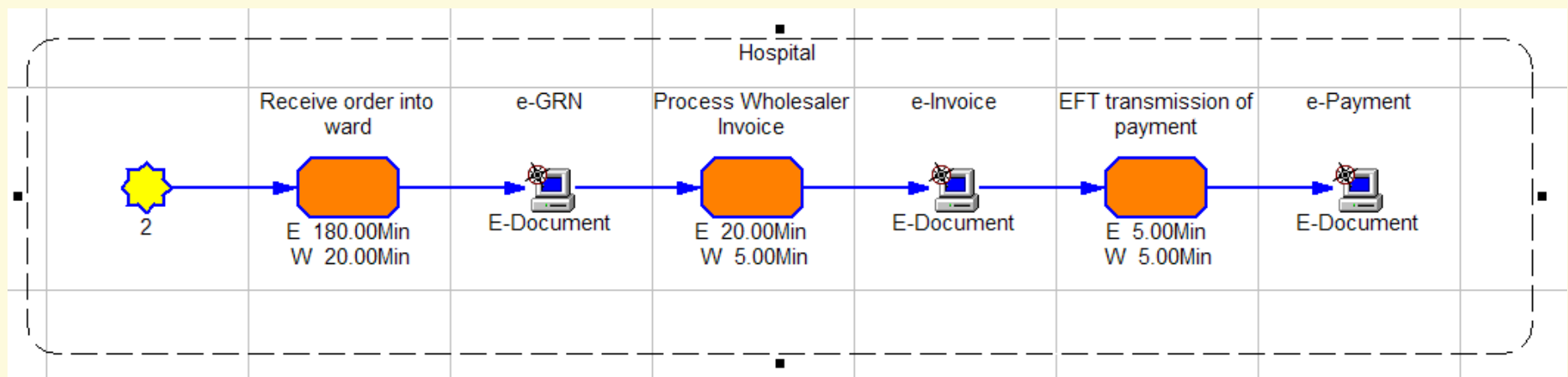
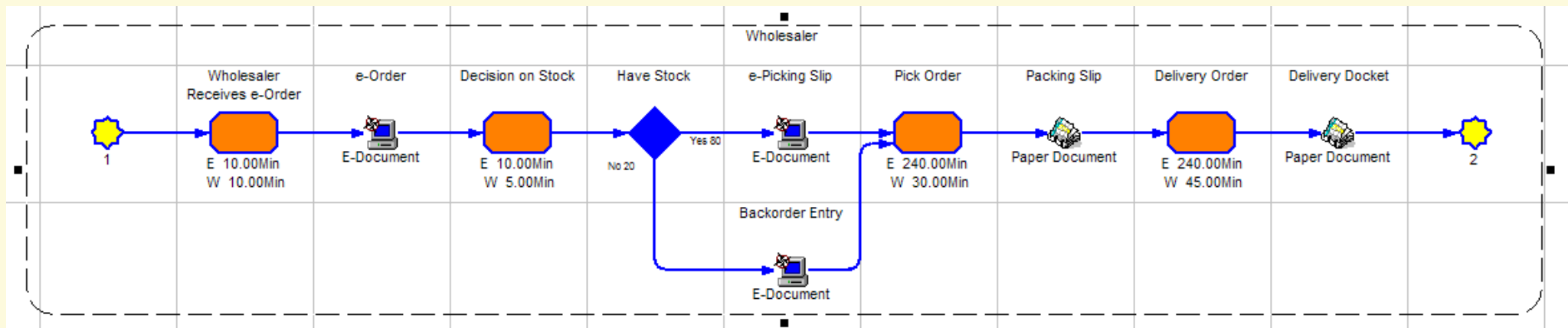
# IMPROVEMENTS





## Stage 1

# IMPROVEMENTS



# Putting the 'e' in 'Procurement'

- **Web Services** is the recommended option
- It is a method of communication over the Internet
- Widely used, flexible, strong support, easy (and cheaper) to implement, bright future
- Suited for implementing an SOA



# Getting Real Fancy: More Improvements

- What if a computerised agent makes orders automatically?
  - » Track orders/items with **RFID tags**
- What happens now that there is no stores to 'buffer' orders?
  - » Batch orders at the wholesaler
- Could we automate payment with eOrders, ePickingSlips, eGRNs and RFID tracking?
  - » Yes, it is technically possible



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**But a further, detailed study is recommended for RFID-related integrations**

Now for the

# ADVANTAGES OF IMPROVING

- **Significant cost reductions** for both the hospitals and the wholesaler by eliminating steps in the supply chain
- **Reduce inventory levels** plus better understanding of ordering and stock
- **Improved business relations** between the hospital and suppliers

Now for the

# **ADVANTAGES OF IMPROVING**

- **Frees up more time for hospital staff to do more hospital related**
- **Improved strategic positioning for both the wholesaler and hospitals**
- **Future use in terms of integration, adaptation and implementing an SOA**



# Some Hurdles to Jump Through

- High-levels of coordination and planning are required to establish this integrated system
- Operations need changing and staff need to be trained (or new ones hired)
- New systems will need to be developed
- The wholesaler needs to approve and be ready for the change

**Hard-work and careful planning  
will yield big returns**

**But is this viable?**

**How much will it cost?**

**Yes, the stage 1 improvements  
are viable**


**Yes, the stage 1 improvements  
are viable – if orders from many  
wards are batched**



# DEVELOPMENT COSTS

A large, pink piggy bank is the background of the slide. It is a classic piggy bank shape with a coin slot on its back and a small opening for its eye. The piggy bank is positioned centrally and takes up most of the frame.

- Development costs are high – predicted to be in the order of hundreds of thousands

A close-up photograph of an owl's face. The owl has large, bright yellow eyes with black pupils, looking directly at the camera with a wide-eyed, surprised expression. Its feathers are a mix of brown, tan, and black, with a mottled pattern. The background is a soft, out-of-focus green, suggesting foliage. In the upper right corner, there is white text that reads "Wha? HOW MUCH YOU SAY?!" with a dotted line leading from the text towards the owl's head.

**Wha?  
HOW MUCH  
YOU SAY?!**



# DEVELOPMENT COSTS

- Development costs are high – predicted to be in the order of hundreds of thousands
- But returns are also high – our improved model with batched orders suggests cost savings upward of 50% and significant daily time-to-order decreases

These metrics based on delivery to 10 wards. Savings depend on many factors including batching/dispatch.

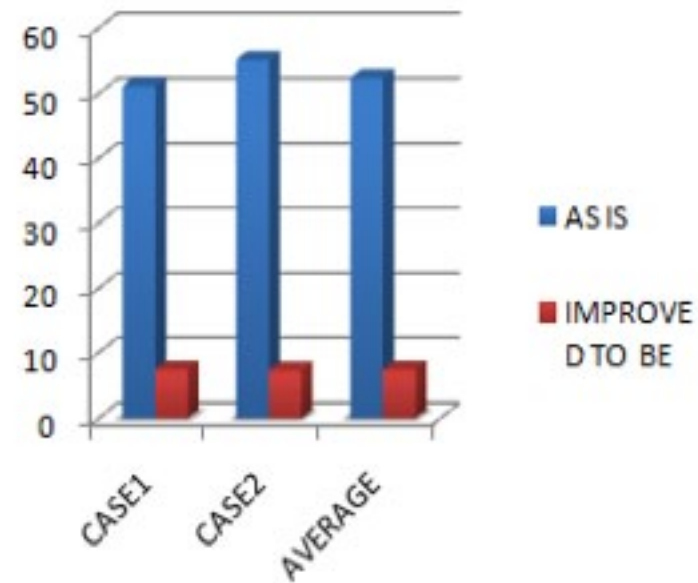
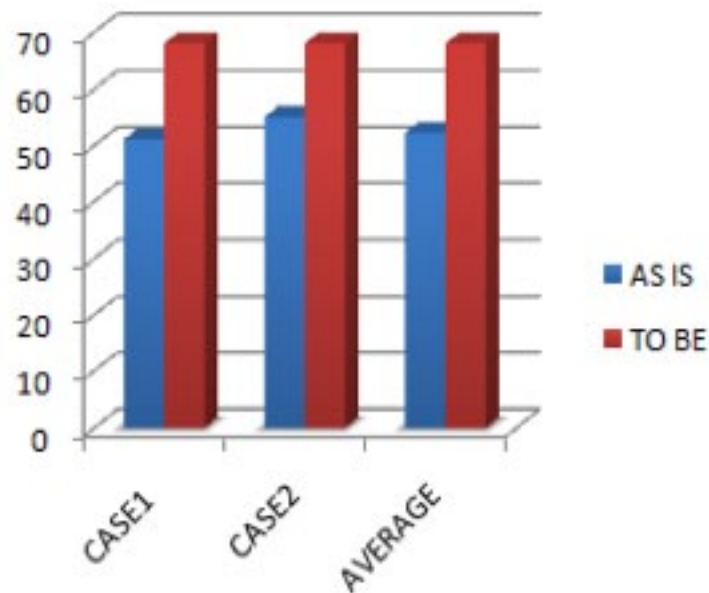




**BIG RETURNS?! NICE!**

As-Is vs To-Be

# COMPARING IMPROVEMENTS



So all things considered,

## **IN CONCLUSION**

- The current process is not perfect
- An eProcurement process will save time, cost and will create long-term benefits
- The improved process is a viable option that should not be ignored to get and stay ahead





**Any Questions?**