



**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!

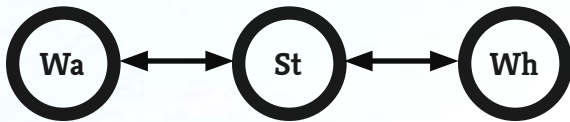


**So what exactly is wrong
with the current process?**

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

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

Then there's the

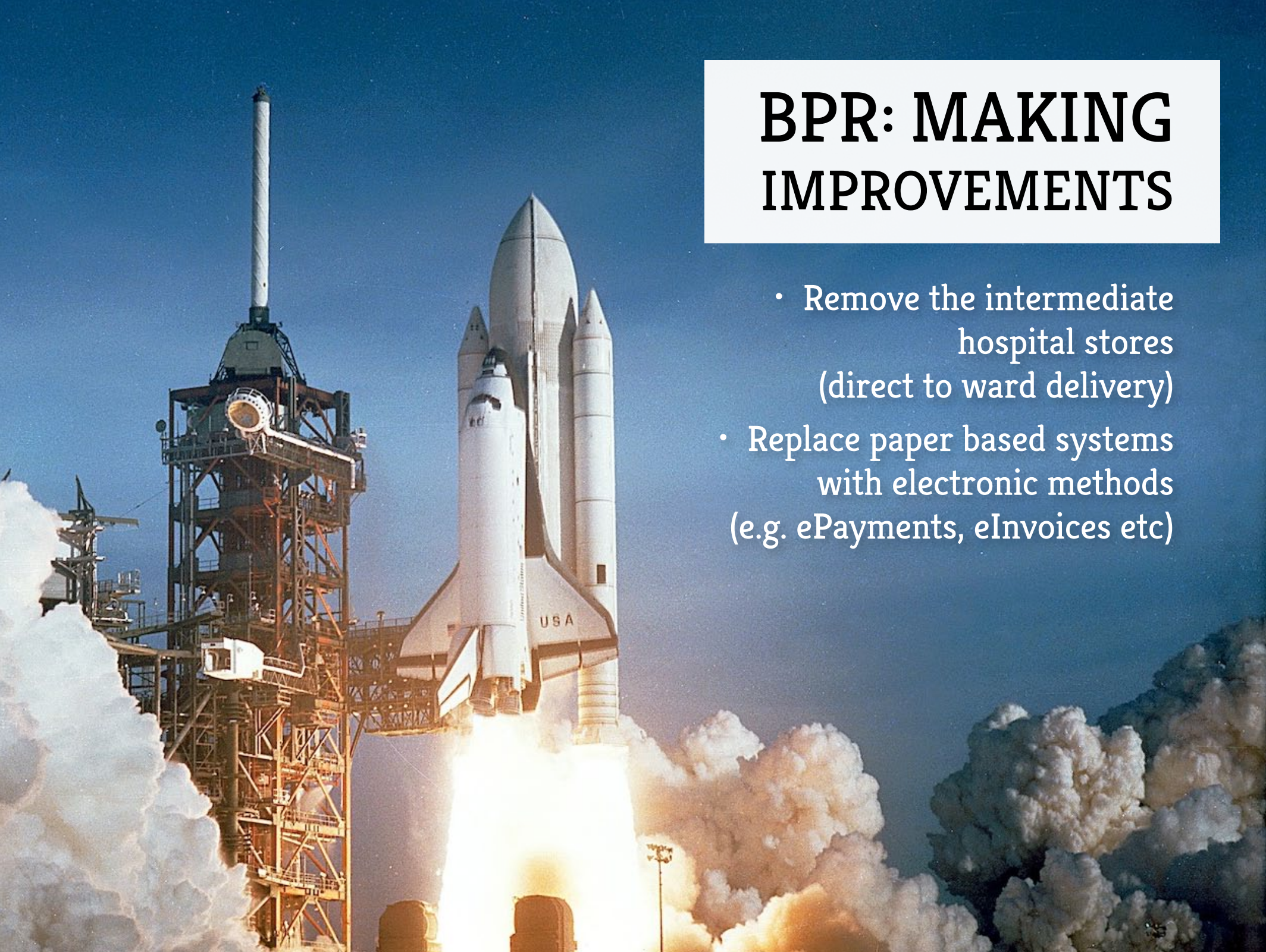
MANUAL WORK

- There are too many paper forms and outdated technologies like faxes and cheques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



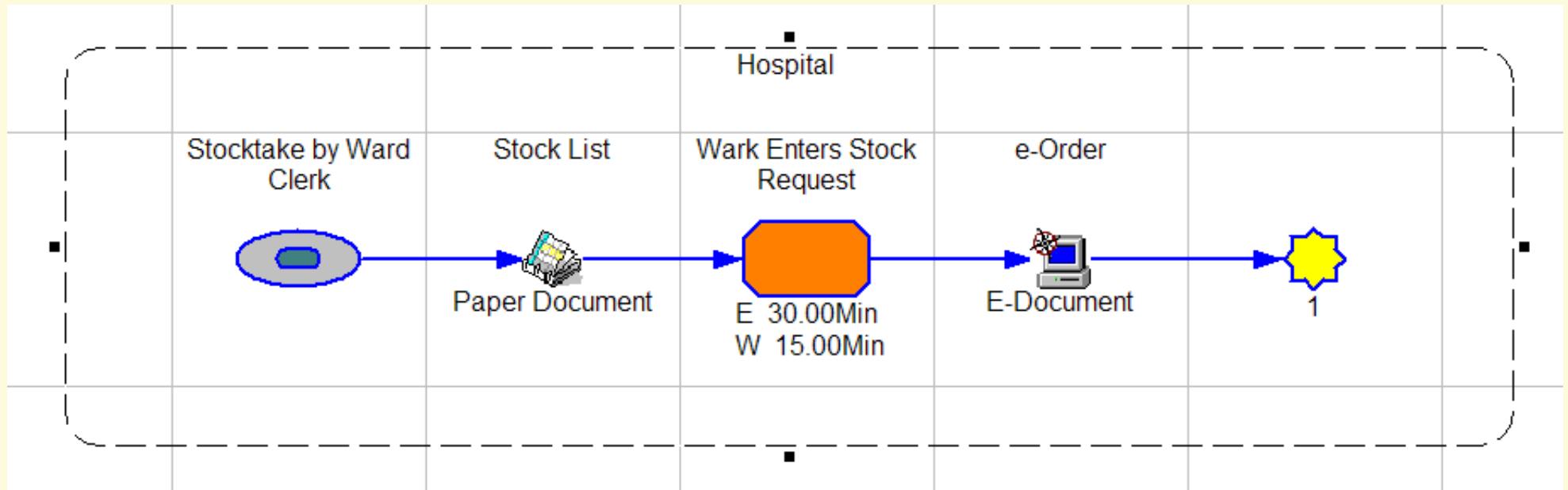
BPR: MAKING IMPROVEMENTS

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



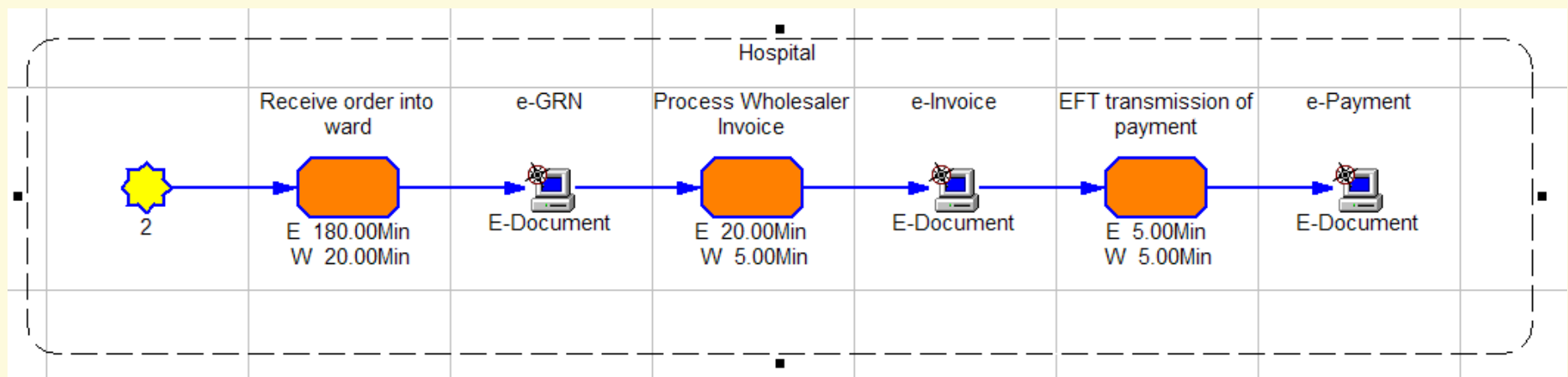
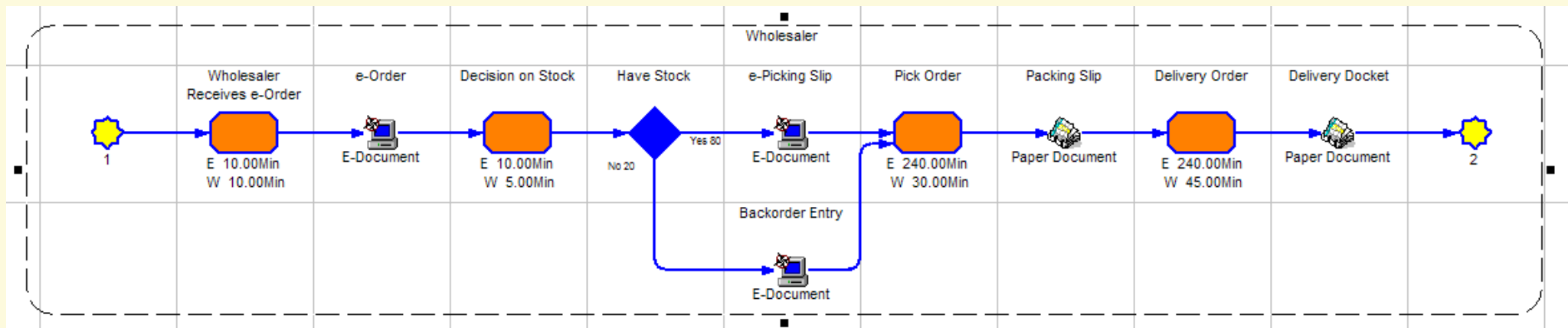
Stage 1

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

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**

**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 visible in the background, partially obscured by the text boxes. It has a classic shape with a coin slot on its back and a small tail.

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



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

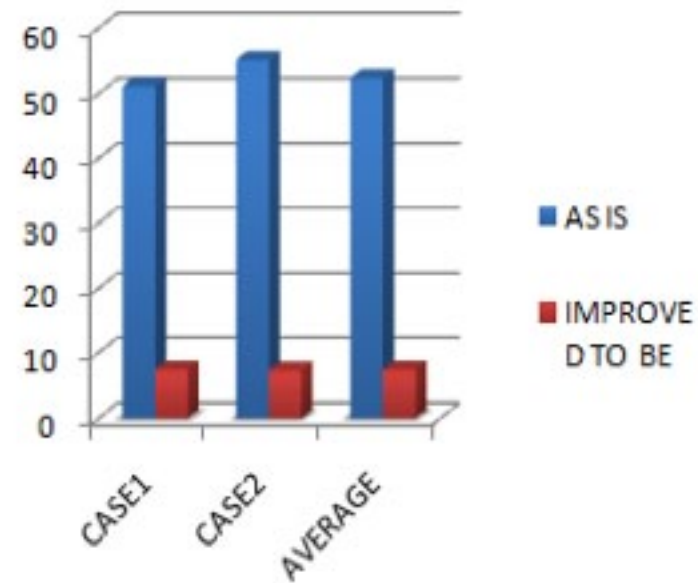
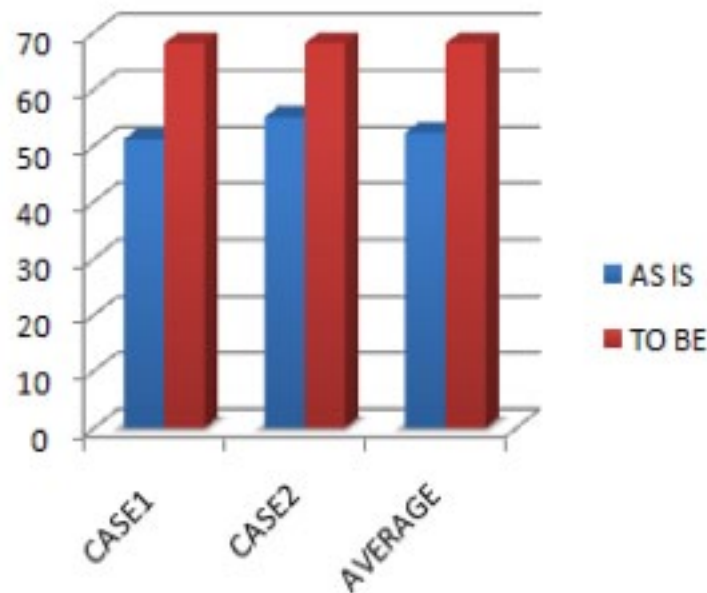
DEVELOPMENT COSTS

- **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.

As-Is vs To-Be

COMPARING IMPROVEMENTS





BIG RETURNS?! NICE!

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



Any Questions?