

# AT THE LEADING EDGE

2014 – 2019  
STRATEGIC PLAN

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# 01

## INTRODUCTION

By Hon Dr David Hamill AM  
**Chair**

and Ms Jennifer Williams  
**Chief Executive**  
Australian Red Cross Blood Service

We owe it to the patients that rely on our products, to our hospital customers, to our generous donors, to the clinical community that rely on our services, and to all Australian governments and commercial partners who contract with us – to continue to strive to be better.



Hon Dr David Hamill AM



Ms Jennifer Williams

### **The Australian Red Cross Blood Service**

(Blood Service) has undergone significant transformation over the last five years and is now a truly national organisation. Over the course of our last strategy, *Improving lives through the power of humanity*, we left no stone unturned in the pursuit of performance improvement.

We have vastly improved our capacity to match supply with demand through improved customer service to our donors and by investing in our internal planning capabilities. We ensure products are available for Australian patients when they need them and where they need them without the need for regular, urgent public appeals. These achievements have been noticed outside Australia too, and some of our practices are increasingly being adopted worldwide by fellow blood organisations.

At the same time, we have greatly improved the efficiency of our national operations. Through significant process improvements and the consolidation of manufacturing functions, we have returned substantial funds to governments year on year and generated additional surpluses that have allowed us to self-fund critical new infrastructure.

This new and improved Blood Service now consists of state-of-the art manufacturing facilities in Sydney, Melbourne, Brisbane and Perth, and modern collection centres across the country that house our most important asset – our people. Our national transfusion and medical staff continue to be engaged with governments and the broader health sector in supporting best practice in the use of blood and blood products and in allied tissue and solid organ services. And our research program continues to advance knowledge internally and externally.

But significant challenges remain in our environment – no successful organisation can afford to rest on its past achievements, but must always be looking to the next frontier of performance. We owe it to the patients that rely on our products, to our hospital customers, to our generous donors and the clinical community that rely on our services, and to all Australian governments and commercial partners who contract with us – to continue to strive to be better. Demand patterns and clinical requirements continue to change and the health sector is increasingly expected to be at the forefront of efficiency and effectiveness.

That's why, over the next five years, our ambition is to be at the leading edge of product and service delivery and business performance – and to be recognised as such both nationally and internationally.

***At the leading edge*** outlines the key areas of future focus for the Blood Service and articulates what needs to be achieved to be at the top of our game. It focuses our efforts to continue to deliver efficiencies across the organisation and within the sector more broadly. It also balances this drive by maximising the quality and safety of our products and services so health professionals can be confident that they ultimately improve the lives of patients. Finally, the plan recognises the extraordinary capabilities of our national network of assets and skills and lays out plans for us to maximise their impact across the blood and broader health sector, and internationally.

***At the leading edge*** clearly articulates the way the Blood Service will need to work in order to achieve these goals – we must develop closer partnerships with our customers and stakeholders in order to perform and deliver shared outcomes. Change will ultimately come through enhancing the way our people work and by providing the right systems to support them. Each area of the plan is backed by rigorous performance measures that have clear aspirational targets that will signal our success. For many of these, we have set targets that will position us among the best blood services in the world.

We look forward to reporting on our progress over the coming years.



Hon Dr David Hamill AM



Ms Jennifer Williams

## 02

### LIFE-SAVING WORK

The Blood Service's vision is to improve the lives of patients through the power of humanity. We achieve this through our mission, which is to perform a critical role in healthcare by providing a safe, secure and cost effective supply of quality blood products, essential services and leading edge research to meet the needs of patients.

We are a major Australian manufacturer of biological products.

Patients across Australia rely on the Blood Service 365 days a year, 24 hours a day to provide them with life-saving products and clinical services. Our products and services are delivered to more than 600 hospitals and healthcare providers nationwide.

This is made possible by the commitment of more than half a million donors donating at over 75 modern blood donation centres across the country. State-of-the art manufacturing facilities in Sydney, Melbourne, Brisbane and Perth house our manufacturing and scientific expertise and transform blood donations into a range of therapeutic products that are considered among the safest in the world.

Australian patients and the clinical community are further supported through our partnership with healthcare providers and clinicians that make best use of our blood products. Our supply chain specialists, transfusion medicine specialists and scientists liaise with hospitals and healthcare providers to promote and support appropriate blood usage, optimal clinical transfusion and blood inventory management practices.

Our research and development program and strong engagement in international networks inform our internal decision making and help drive best practice within our business and in the sector more broadly.

We provide critical red cell, platelet, neutrophil, tissue typing and immunogenetic reference testing services. We coordinate bone marrow donation and organ testing for organ transplantation. Our cellular reference laboratories provide a range of services to detect specific characteristics of blood products, which can then be supplied to meet individual patient needs.

A number of Australian Government and state-funded health agencies are hosted by the Blood Service, including the Australian Bone Marrow Donor Registry, the National Organ Matching Service, DonateLife in Victoria, and the Rotary cord blood bank in Western Australia.

Image left: This is Joe. Joe works as a paramedic and studies medicine. He donates platelets regularly because he sees first-hand how vital blood products are for his patients.



# 03

## WHAT'S SHAPING OUR FUTURE?

Despite our progress, a number of key challenges as well as opportunities remain in our environment – and this strategic plan directly addresses these.

Our ongoing ability to predict demand and align our collection and production planning to meet this demand remains in sharp focus. A recent and dramatic worldwide reduction in demand for red cells has challenged the planning and business models of many blood services and we are no exception.

While we anticipate an eventual return to modest growth in red cell demand, changes are required to ensure we do not over or under collect, are able to align our investments with required supply, and continue to meet the challenge of Australia's increasing demand for plasma-derived products. This requires us to continue to improve the overall management of our blood and other donor panels to ensure a pool of committed volunteers are in place and that they feel valued for the contribution they make.


We have been able to generate significant financial returns for governments and reduce the ongoing cost of blood products and our services in real terms – but pressures on national budgets remain. Our international benchmarking shows there are clear areas for us to lift our performance relative to our peers. These include collection, processing and testing productivity as well as our internal corporate decision making processes.

Opportunities exist to improve the reliability and standardisation of our product and service delivery. This includes our ongoing contribution to improved clinical practice, product management and use and the introduction of more robust risk-based decision making processes to ensure safety and security decisions consider patient outcomes in the context of cost and risk implications.

Opportunities exist to increase the role of our research and development program to drive innovation and improvement – both within the Blood Service and in the sector as a whole. This can best be achieved by listening to and partnering with other stakeholders both locally and internationally.

The Blood Service has a national network of high volume production facilities and unique skills that are required to deliver the nation's blood requirements. As further efficiencies and productivity improvements take effect, including planned improvements in our fixed and mobile collection sites, some right-sizing will occur and some capacity and skills will be released to increase our overall contribution to the broader organ, tissue and cell sectors in discrete arenas where cost recovery options exist.



A woman with dark hair, wearing clear safety glasses and a white lab coat, is looking directly at the camera. She is holding a large, clear plastic bag filled with dark red blood. The bag has a white label with a barcode on it. The background is a plain, light-colored wall. The overall tone of the image is professional and clinical.

“The health sector is increasingly expected to be at the forefront of efficiency and effectiveness.”

# 04

## WHAT IS THE LEADING EDGE?

The leading edge is:

### **BENCHMARKING AGAINST THE BEST**

With strong foundations now in place, the Blood Service is pursuing outstanding performance in all areas of its operations. In order to be considered at the leading edge we have selected success measures and targets that allow us to directly compare the efficiency and effectiveness of our business against high-performing blood services around the world as well as national benchmarks for like organisations in Australia. These benchmarked improvement areas are clearly indicated throughout this plan.

### **DRIVING CHANGE THROUGH PARTNERSHIPS**

The Blood Service works within a complex blood and health sector with shared responsibilities for delivering healthcare to Australian patients. In a federated model of healthcare consisting of public and private providers, the Blood Service can only pursue business and sector reform through partnership arrangements with our customers, with all governments and with the clinical and broader health community. From reducing waste across the supply chain, to delivering outstanding research that informs best practice, the pursuit of shared outcomes will shape our performance and that of the sector more broadly. That's why throughout this plan we will:

**Develop strong and productive partnerships with our stakeholders and customers to deliver outcomes both within our core business and in the sector as a whole.**

### **DRIVING PERFORMANCE THROUGH OUR PEOPLE AND CULTURE**

The Blood Service employs more than 3800 employees with a wide range of unique skills and capabilities. To be at the leading edge we will need to provide our staff with the right systems and support so they can be at their most productive and help us deliver our ambitious targets. This will include ensuring our internal processes are lean and agile so our entire workforce can perform at their best. That's why throughout this plan we will:

**Create a business culture with more effective systems that engages our people and ensures they are productive and doing the right things – so we can continue to attract the talent of the future.**



# 05 LEADING EDGE PERFORMANCE

To be at the leading edge of performance  
we will make the best use of taxpayer  
funding by delivering lean operations and  
a more efficient blood sector.

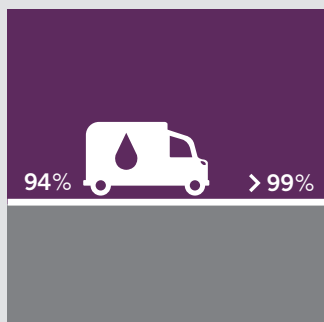
## Partnerships

### 01

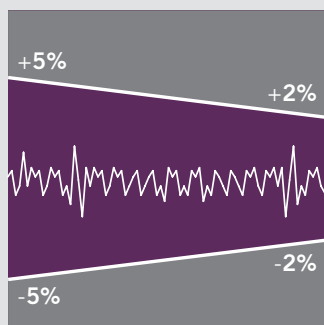
#### BETTER MATCHING OF SUPPLY TO DEMAND

We will accurately predict, collect and manufacture those products that are required by patients and deliver to customer requirements. To do this, we need to work more closely with governments and customers to improve demand data, increase traceability of blood from donor to patient, and improve our production and distribution strategies to deliver what patients need.

##### Measure:



We will increase **delivery in full and on time (DIFOT)** for all products from 94% to 99% - world-class performance.



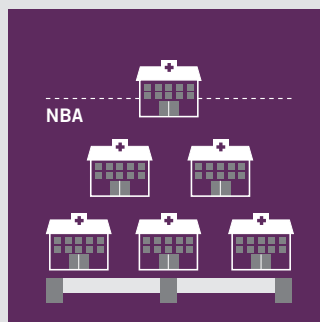
We will improve our **demand forecast accuracy** for all products to have a variance of less than 2% (from a current range of 5%).

### 02

#### REDUCTION IN WASTE AND DUPLICATION

We will continue to reduce waste that occurs across the entire supply chain and ensure the right amount of product is in the system at any time to meet patient demand and minimise risk. We will also work with our government and customer partners to eliminate duplication of effort that wastes limited healthcare dollars.

##### Measure:



We will use our influence to increase the proportion of hospitals that have adopted the **national inventory management framework** to meet targets set by the National Blood Authority.

### 03

#### INCREASED SAVINGS AND PERFORMANCE THROUGH PROCUREMENT

We will continue to identify procurement opportunities that are able to deliver not only financial savings, but also improved business performance and service reliability. This extends to all aspects of our business from consumables to corporate functions that can be better performed by external business partners.

##### Measure:



We will increase our total planned **procurement savings** by more than \$7 million over five years.

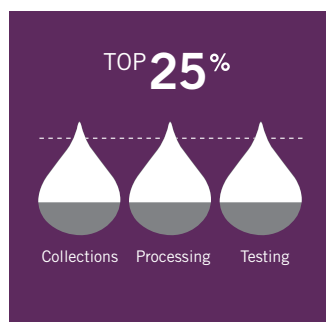
## People and Culture

### 04

#### LEANER PRODUCTION

We will continue to increase the productivity of our collections, processing and testing workforce to be within the top quartile for performance internationally. We will achieve this through standardised work processes and process improvements and better scheduling of work with demand patterns.

##### Measure:



We will increase collections, processing and testing productivity (**collections per FTE, components per FTE and tests per FTE**) to the top quartile of international performance.

### 05

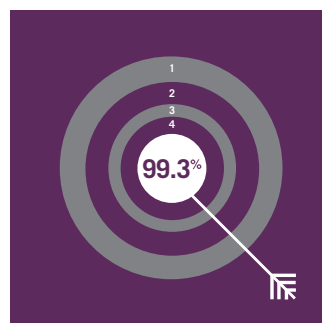
#### RISK AND COST REDUCTION THROUGH TECHNOLOGY

We will investigate, assess and evaluate options for new technology and further automation of supply chain tasks to reduce the risks of manual error and decrease the overall costs of production and distribution.

##### Measure:



We will reduce **externally notified labelling errors** to zero.



We will **improve consignment accuracy to 99.3%** over five years.

### 06

#### BETTER CORPORATE DECISION MAKING

We will streamline our corporate decision making processes to ensure we remain agile and quick to adapt to changes in our environment. We will do this by eliminating unnecessary corporate processes and increasing the skills, authority and accountability of all staff.

##### Measure:



We will reduce our **corporate services expenditure** from 17.4% to <15% to be at the national benchmark.



We will increase our score for **decision making in the Employee Engagement Survey** to be within the top quartile of national benchmarks.



Our combined national efforts are directed towards the benefit of patients – both the recipients and users of our products and services expect they are of a standard and quality that will deliver improved health outcomes.

While we pursue a drive for improved business performance and reduced costs, we also need to ensure our business processes and procedures always produce the desired results and our products and services are fit-for-purpose from a patient and customer perspective.

Our plan will focus on improving the efficacy of our products and services through more effective management of our donor panel so we are making the most of voluntary donations, strengthening product safety and quality decision making across the sector and continuing to support the national drive for improved clinical practice and better haemovigilance.

Central to delivering improved outcomes for patients and the business will be more targeted research and development and the creation of a corporate culture and workplace environment that allows our highly skilled staff to deliver the best outcomes possible.

Image left: This is Charlie. He was diagnosed with leukaemia when he was just two years old. He received red cells and platelets to help him through chemotherapy.

# 06 LEADING EDGE OUTCOMES

To deliver leading edge outcomes we will produce products and services that are fit-for-purpose and meet stakeholder and customer needs.



# Partnerships

07

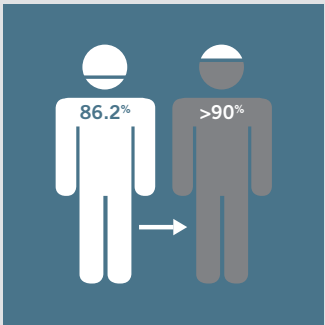
## VALUED, HAPPY AND HEALTHY DONORS

We will improve the management of our donor panels to increase the effectiveness of every donation. We will do this by ensuring donations are collected in a safe manner and we are collecting the right product from the right donor at the right time to meet patient demand.

Measure:



We will increase the **average 'donor attribute score'** across all panels.



We will increase **collection efficiency** from 86.2% to more than 90% to be a top performer internationally.

08

## BETTER PATIENT OUTCOMES THROUGH IMPROVED CLINICAL PRACTICE

We will use our transfusion medicine and clinical expertise to champion improved product use and transfusion practice to deliver improved patient outcomes. In partnership with governments, we will continue to support the ongoing development of transfusion practice and improved haemovigilance.

Measure:



We will **maintain consistent engagement** in national patient blood management and clinical improvement initiatives.

09

## IMPROVED RISK-BASED DECISION MAKING

We will translate the decision making framework into the Australian blood sector.

Measure:



Our **risk-based decision making framework will be accepted** and applied to safety decisions within the Blood Service.

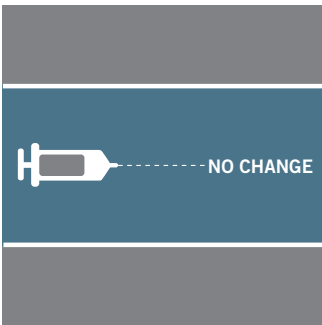
People and Culture

10

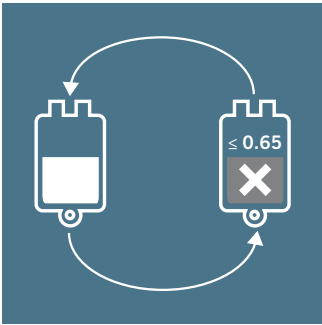
NATIONALLY CONSISTENT  
AND RELIABLE PRODUCT  
AND SERVICE OFFERINGS

We will continue to drive national consistency in our donor screening and regulatory and quality management processes. This will provide greater reliability for our customers, improve the quality of our products and ensure safety for patients.

Measure:



We will keep our annual **residual risk estimates for viral transfusion-transmissible infections** within acceptable control limits and international comparators for five years.



We will keep the number of **process failure recalls** below 0.65 per 10,000 for five years.

11

BUSINESS OUTCOMES  
THROUGH RESEARCH

We will deliver a research program and complete projects that directly address Blood Service areas of need and are able to be translated to deliver operational improvements. We will do this by aligning our research program with our strategic direction and improving the translation of research outcomes into business practice.

Measure:



We will increase the percentage of **research projects that are translated into changed business practice** or learnings to 75% over five years.

12

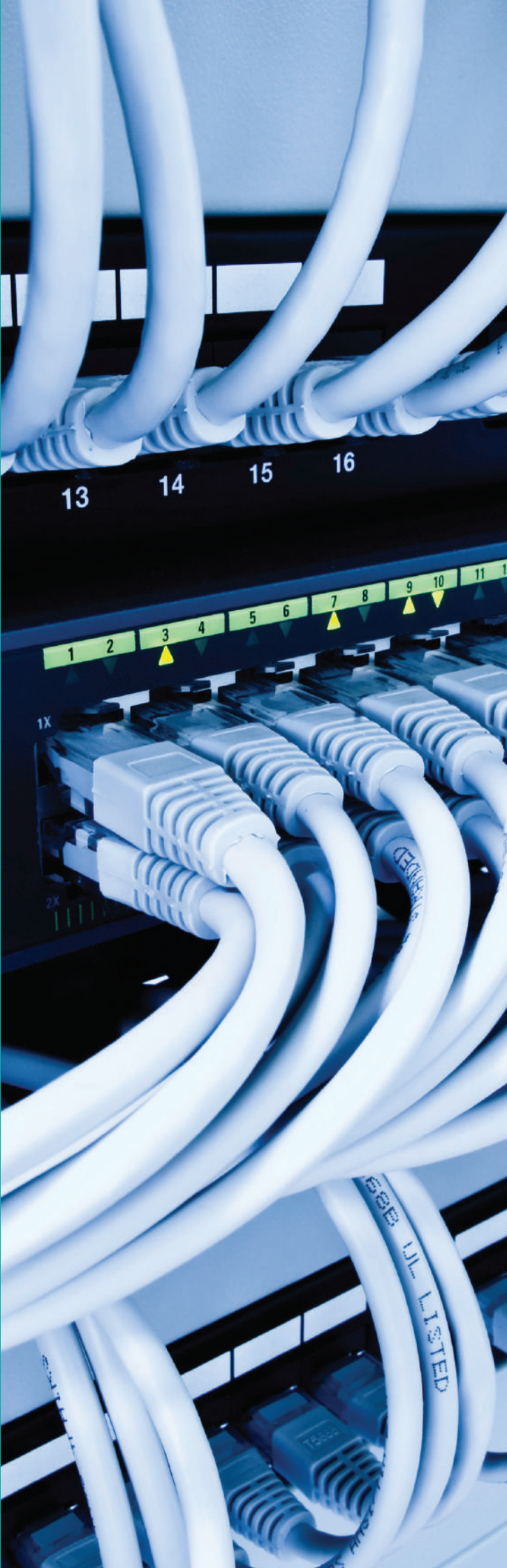
ATTRACTION AND  
RETENTION OF THE BEST  
STAFF

We will create a working environment in all areas of the business that attracts and retains the best staff. We will do this by working in a safe and sustainable way, providing career development and embracing workplace diversity.

Measure:



We will increase our **Employee Engagement Survey engagement result** to be within the top quartile nationally.



The Blood Service has a unique national network of assets and skills that deliver blood products, produce high quality research output, generate significant amounts of data and provide critical services outside of blood.

Opportunities exist to increase the overall impact of this network and capacity, including ensuring that the network of our fixed and mobile blood collection sites are appropriate to meet changing demand patterns, population distribution and demographics. We will also increase our contribution to the broader organ, tissue and cell sectors and maximise the use of our internal information systems and critical data.

It also means directing our research program to improving blood sector outcomes through partnering with the broader research community and collaborating internationally.

07

# A LEADING EDGE NATIONAL NETWORK

To deliver a leading edge national network  
we will maximise the impact of our  
infrastructure and skills.

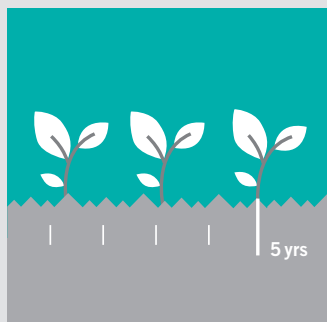
## Partnerships

13

### GREATER CONTRIBUTION OUTSIDE BLOOD

We will increase the contribution of our core competencies to the broader organ, tissue and cell sectors. We will do this by partnering with external organisations that can benefit from our unique capabilities and technical expertise.

#### Measure:



We will establish a minimum of three sustainable **new business lines** over five years.

14

### MORE COLLABORATIVE RESEARCH OUTPUT

We will increase the number of collaborative research partnerships and ensure our research program is in line with sector priorities. This will include greater engagement with international research partners to deliver projects that translate into improved practice.

#### Measure:



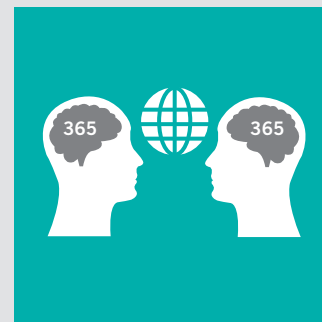
We will increase **the number of articles published in peer-reviewed journals that are jointly authored** by the Blood Service and external collaborators.

15

### ASSISTANCE TO DEVELOPING COUNTRIES

We will continue to apply our skills and knowledge to assist blood services in developing countries through our work as part of the Australian Red Cross and through partnerships delivering international development programs.

#### Measure:



We will maintain **engagement in international blood projects** for five years.



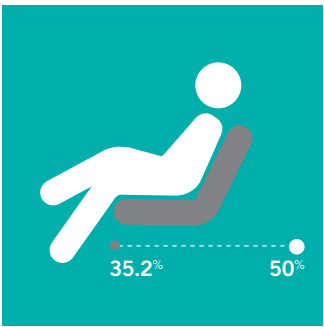
# People and Culture

16

## AN IDEALLY DISTRIBUTED COLLECTION NETWORK

We will optimise the network of our fixed and mobile collection sites to meet demand. We will achieve this by ensuring our collection network is agile, located in high performance catchments and targeted to future demand patterns.

Measure:



We will increase our **collection network capacity utilisation** from 35.2% to 50% over five years.

17

## LESS COMPLEX BUT MORE RELIABLE IT AND DATA NETWORK

We will deliver IT and data systems that support business performance. This includes reducing the overall size and complexity of our IT footprint while ensuring the reliability of our critical systems that support our products and services.

Measure:



We will ensure our critical systems (for which monitoring is in place) will always meet **agreed availability targets**.

18

## HIGHLY COMPETITIVE AND GROWING EXTERNAL SERVICES

We will increase our commercial services offering and ensure all our external services are competitive and responsive to market demands. This includes growing our testing, consultancy and other services while ensuring these services are sustainable and commercially viable.

Measure:



We will increase our **external services revenue** from \$1.35 million per annum to more than \$5 million per annum over five years.

**For further information contact:**

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View our strategic plan on [donateblood.com.au/corporate](http://donateblood.com.au/corporate)

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Image right: This is Graham. He is a dedicated plasma and platelet donor. Working in medical research, he knows how important blood donation is and regularly rolls up his sleeves to help out.

