

Case Study: Countess of Chester



The Countess of Chester Hospital NHS Foundation Trust is a 600-bedded District General Hospital which also comprises the 64-bedded Intermediate Care Service at Ellesmere Port Hospital. The Trust provides a comprehensive range of acute hospital services and some associated community services primarily to the population of West Cheshire and the Deeside area of North Wales, numbering in excess of 250,000 residents.

Its aim is to deliver streamlined, accessible services to its patients through maximising operational efficiency and productivity in every part of the organisation. Its near-term goal is to achieve a 5 percent reduction in its cost base each year. The Trust hopes to achieve this by constantly pushing boundaries: to procure better-value products and reinvent services for the better through innovation, clinical best practice, process transformation and the use of the latest technology.

Challenge: To streamline procurement of goods and services and reduce costs through innovation, process transformation and embracing technology

In line with the Trust's vision Andrew O'Connor, Director of Commercial Procurement Services, has adopted a clear, strategic approach to the procurement of the Trust's services and products. He believes in the power of procurement innovation and thinking beyond the here and now, and that a strategic, collaborative approach to purchasing, supported by the right technology, is the best way forward to ensure efficiency and sustainable cost savings for the Trust and the wider NHS. "We needed a fully integrated system that would improve the way

we interacted with suppliers and change the dynamics of how we did business. We chose BravoSolution because it could cope with all of our tendering and 'competition' needs across all levels of expenditure and, importantly, it provided the functionality we needed to support our unique approach to procuring effectively through electronic auctions. We found BravoSolution to be the most suitable platform with the required capability to enable us to make cost savings in this way."

BravoSolution supports the Trust's innovative approach to saving costs

Electronic auctions are an effective tool for delivering savings, wider efficiencies and dynamically negotiating best value for money from contracts. The Countess of Chester procurement team uses BravoSolution very effectively in this way – in fact it uses every aspect of available functionality that the system has to offer. Says Andrew: "I've never seen the point of having technology that offers many levels of functionality, and not making the most of all of them. We constantly monitor and measure how we use the system; everyone is trained on it, and we use it to its limitations, because we know it will deliver value."



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After 11 years at the Countess of Chester, Andrew has robust processes in place that his team utilise; as they are effective and deliver optimum value, he wasn't prepared to compromise through the implementation of a system which had limited or cumbersome attributes. "We have been running our own reverse auctions since 2006, unlike some other Trusts that outsource the auctions (hosted by the system suppliers), we are completely self-sufficient, and the software has allowed us to maintain that status."

"I was also drawn to the Dutch auction facility in BravoSolution. Basically we have control over what we'll pay for the goods and services. We set a start price and this increases on a fixed time (normally every minute) by set increments. Whichever supplier hits the button first wins the business. As with all of our competitions it's never just about the price, so prior to the auction we have already assessed suitability, quality and all of the other required elements of both supplier and products or services. For the suppliers it's a calculated risk, it allows them to fully assess the potential of the business on offer versus their costs and margins. It's a real win-win and has delivered great success. We have found that when the marketplace has been through a number of traditional reverse transformation auctions it tends to stagnate and therefore needs stimulating through the use of innovative tools, which is exactly where this system ticks all of the boxes."

"The process is a sort of gamble, a bit like poker, and it takes nerves, because the suppliers know there are other bidders ready to hit that button at any moment. We can auction anything; we have been particularly effective in orthopaedics; for example, a reverse auction for primary knee replacements back in 2006 delivered us amazing prices up there with NHS organisations whose throughput was over 10 times that of our own. What's even more impressive is that this particular project was not only about cost and quality but took us from four primary knees to a single knee and to this day we have retained this standard product."

Everyone in Andrew's team uses BravoSolution to run their own independent competitions, from junior to senior buyers to commercial managers. He insists that everyone run an auction where they can, because this generates best value. It is important to him that suppliers have a greater opportunity to bid properly.

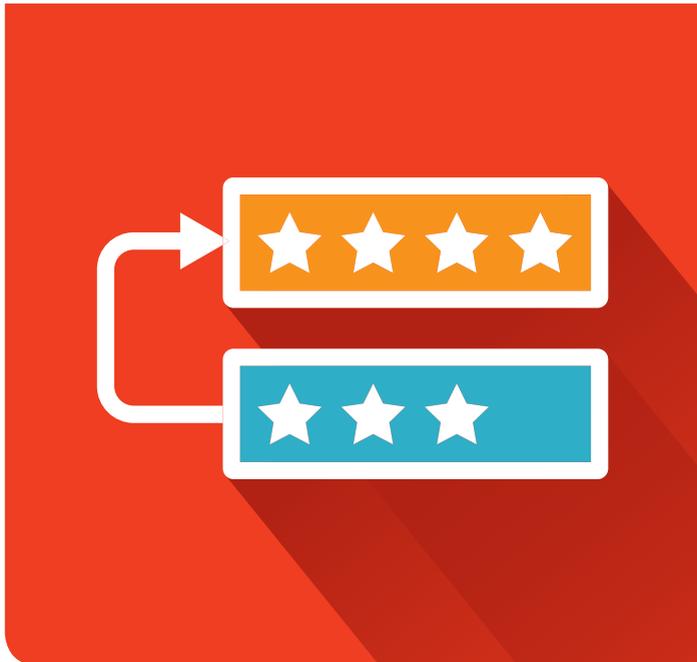
"We know that being in a tender exercise can be a difficult process for suppliers. They have no visibility of the bid characteristics; they basically submit a number on a given date and time and sit and wait for the evaluation and outcome. They only get one go at it - if they fail, there is no opportunity to revise the bid. But using BravoSolution we have transformed this process making it fairer for suppliers, which ultimately brings more cost savings to us."



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“We allow suppliers to be innovative. They have an opportunity to show that they can bring more than just cost to the table. In the BravoSolution system the supplier can see the rankings and where they sit. They then have the chance to do something about where they are ranked. There could be up to 150 bids in any single auction, but the system allows bidders real-time decision-making opportunity to shape their bids live. Suppliers exit the auction with no afterthoughts about how they could have done things differently. They can even place several bids; the supplier has the ability to make real commercial decisions and have more control over the outcome. All evaluation is carried out within the system, and the auctions are weighted for quality and technical ability and attributes: this means that where one supplier might score highly technically, another might score higher on other criteria that meet our goals, and the system transforms the rankings. It is a much more open, fair and transparent way of doing business.

Further cost savings are possible when you exploit the system’s full capability

The procurement team is always looking for alternative solutions to save the Trust and NHS money. Sitting within an acute

organisation means they see the pressure evolving to deliver savings efficiencies and understand others’ pressures too. “We are successful at generating savings because we have a driven team, we keep staff skilled, and we are constantly looking for new ways to use our technology to drive these savings.”

In 2013 Andrew launched a commercial venture. Initially as a consultancy to other healthcare organisations, essentially becoming a supplier themselves. “We also realised that there were more benefits to be gained from the success of our electronic auctions: other organisations needed to source best-value products and services too, so we created an innovative framework for NHS and public sector buying. ‘Paper supplies’ is an example where we have acted as buyer and supplier in a collaborative approach: organisations come through us and our transformation auction. They submit their specifications on every aspect of the product and we auction it using the BravoSolution function. They buy in to our ability to find them the most cost-efficient supplies, and it brings us even more savings.”

“The system has definitely improved our procurement effectiveness and led to cost savings: so much so that this year we were shortlisted for the HSJ Value in Healthcare Awards for Value and Improvement in Procurement.”

An end-to-end procurement solution

Caroline Phelan is Senior Buyer at Countess of Chester; she uses BravoSolution modules on a daily basis: Programme Manager for lifecycle project management; e-sourcing suite for tendering, publishing notices, PQQs and tenders; e-auctioning; and contract management at the back end. She explains how the system gives them a best-practice process that enables them to mitigate risk and ensure a compliant route to market. “We use BravoSolution for all our high-value complex tenders and it is used by the whole



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of procurement. At the start of a project, we use Programme Manager to set our workflow, with key dates and milestones, and via a structured timeline, it alerts us to which tasks are due, the steps we should be taking and the time we need to complete within. It ensures we let nothing slip.”

“We then use it to publish our contract notices for tenders above the EU threshold ensuring we conform to EU regulations. BravoSolution makes it easy for suppliers as they can access cross-NHS opportunities without the need to search through Tenders Electronic Daily (TED). We can then publish procurement documentation like ITTs and PQQs via the system so that suppliers can access it straight away. The feedback has been very positive: our suppliers tell us how intuitive the system is, how easy they find it to upload their documents, how efficient it is because no emails are needed and they have no file storage issues (there can often be many documents involved in a tender). If, at the end, the tender should move to e-auction, the system pulls all the right information across so it doesn’t have to be manually re-entered or reloaded.”

A single repository and a messaging function mean seamless transfer between users

Having everyone involved in a tender using one system brings many benefits, and having everything related to that

tender in one place, brings even more. “One great advantage we have found is that, because the system houses all of the documentation relevant to a tender in one place, anyone, anywhere, can pick up and carry on seamlessly should one member of staff be absent, whether through holiday or sick leave. There is no work buried in emails, all documentation, messages, stages and records of the procurement are available in a secure repository, transparent and easily retrievable.”

Caroline makes use of the system as a reliable messaging function. “This facility is really valuable,” she says, “every communication to all stakeholders is stored - we can demonstrate to anyone at any time an accurate version of events: when something was sent, to whom, when and whether or not they opened it. It gives us a trustworthy audit trail. We have to treat all suppliers in a fair manner, and the system enables us to be sure that every supplier gets the same information, whether a message or document. It goes directly to them, and they are unaware of who else received it – it brings a level playing field where everyone is treated with the same discretion.” Andrew concludes: “Basically, we like the system functionality, its ability to deliver high-end performance without high-end cost, and the fact that it enables us to structure our tenders exactly how we want them.”



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