

Birmingham Specialist Community Services NHS Trust



With over 100 sites, 4,400 employees and £115m turnover, Birmingham Specialist Community Services NHS Trust is a large and impressive organisation. Formed from the merger of Southern and Northern Birmingham Community Health NHS Trusts, it delivers consistent, accessible, high quality and clinically effective services for a population of 1.1 million people.

Customer
Birmingham Specialist
Community Services NHS
Trust

Market Sector
Health Sector

Country
United Kingdom

Solutions
General Ledger
Invoice Approval
Purchase Ledger

Purchase Ordering
Sales Ledger

Introduction

Having selected Integra from Capita IB Solutions as its preferred financial management system, the Community Health NHS Trust is pressing ahead with an innovative purchasing strategy. "The merger was a natural step," said David Coley, the new Trust's Head of Procurement. "It seemed logical that a single organisation should provide a Birmingham-wide service."

To facilitate effective financial management and the purchase of 70,000 requisition lines per annum, the new Trust is rolling out Integra, from Capita IB Solutions, across the entire organisation, which includes general ledger, purchase ledger and purchase order processing modules.

The Requirement

"Prior to the merger, we had an independent audit of the two financial management systems used by two former Trusts and the benefits of Integra far outweighed those of the other system," said David Coley.

"Southern Birmingham was a mixed acute Trust formed from 10 directly-managed units, each of which had developed their own management accounting systems and procedures," he said. "Following a competitive process, it introduced Integra to give a standardised means of procuring goods, transmitting commitments and registering invoices."

David Coley - who was Purchasing Manager of Southern Birmingham - says that during the initial competitive process, it was quite obvious that Integra was the best system.

"Integra has lots of functionality, excellent reporting and audit tools and it helps you order goods quickly, efficiently and effectively," he said. "It also enables you to make more intelligent decisions because it generates high quality, timely and relevant information. Integra is a tried and tested system that is embedded into the health service culture and psyche. Talk financial management in the health service and you're talking Capita IB Solutions. They've got a phenomenal market share and a great reputation."

The Solution

After the initial implementation, Southern Birmingham used Integra to redefine its entire purchasing methodology. The Trust catalogued its products and generated some pretty focused data by tracking what people ordered, when they ordered, who they ordered from and what they did with the products.

"An electronic catalogue, with online access, is simply a different way of thinking about data and managing the process," said David Coley. "If 80 per cent of your products have to be re-ordered regularly, you can substantially cut the data input time by creating a product catalogue and pre-negotiating your prices with suppliers. Thereafter, people can simply place orders as the needs dictate."

The system provided a step change in the efficiency of Southern Birmingham's procurement. "We were putting 15,000 orders a year through Integra," said David Coley. "High volumes are usually synonymous with human error and complaints but they just didn't happen here. Now I don't understand how anyone can say they have a procurement strategy in place if they haven't got an electronic way of managing the data."

After four years of tracking his prices with Integra, David Coley has a strong negotiating position for the new Trust's 1,200 key products.

"Integra moves the way you operate to a different strata because you're not scratching around for information," he said. "It lets you control the way you broker your spend on the marketplace and be more scientific about the prices you pay for goods. You can also benchmark your activity and compare your prices against other healthcare trusts as well as private sector companies."

He adds that the marketplace responds to a clear, precise offer document as opposed to something vague and full of obvious wish lists and estimates.

"If you are very specific," he said, "it sends a clear signal to your suppliers and it enables you to negotiate in a scientific way. It also gives you room to test out some strategic sourcing models where you're not just putting a document out in the marketplace and saying give me your best price for the next two years based on X and Y."

David Coley believes that rolling out Integra across the whole of the new Trust will be a relatively straightforward process.

"We've got space on the ledger to add in Northern Birmingham's accounting codes," he said. "The next step is to link the networks of the two former Trusts. Then we'll create around 400 requisition points in various parts of the city.

Once these are linked up, we'll run a pretty extensive training programme for discrete sites or departments in turn. Because we've been using Integra for some years now in Southern Birmingham, we've developed a very effective process of implementation training."



The Benefits

The resultant savings are likely to be substantial. "We're anticipating continued annual savings of around £200 to £300,000 per annum with Integra's help," said David Coley. "If you haven't got an electronic system, you probably have the potential for around an 18% overall cost reduction.

On some product ranges we've already cut 40% off prices but in others, we're tinkering at the margins. It won't apply uniformly because different supply chains have different functionality and different profit margins - you don't buy stationery in the same way you buy theatre consumables."

Savings can also accrue from cutting down on stockpiling. "If staff don't have confidence in the supply chain, they'll tend to stockpile their essential items rather than risk running out," he said. "Integra allows people to order with confidence because when they press Enter, they know the order has been issued.

They don't have to worry about it going astray because of some ridiculous bureaucratic procedure where someone 15 miles away processes it for them."

The Future

By getting the right products to the right places at the right time, the new Trust's catalogue-driven procurement approach and the management information generated by the Integra system - will help ensure that integrated, high quality community health services are delivered to the entire city of Birmingham.

"The client server version of Integra gives you beautiful functionality that lets you calendar in your reports and e-mail them out at different times," said David Coley. "You just set it up once a year and you know its going to be done. Its a superb way of working which takes all the hassle out."

David Coley believes Birmingham Specialist Community Services NHS Trust will gain future price reductions by differentiating the way that it operates.

"Internet trading and embedded web browsers are the way forward for procurement," he said. "But in an organisation of this size, with this many locations, you've got start by getting the paper out of the system.

If you can order efficiently using an electronic catalogue with auto-faxing, the emphasis is then on the supplier to respond and justify their delivery claims. In effect, you can start to push back and manage your supply base a lot more proactively."

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