Achieving a Strategic Advantage
Project summaries, benefits and testimonials

Project: Audiology
Clinical Area: Hearing aids, hearing aid consumables and batteries

The Audiology project focused on a benchmarking of existing commercial agreements between Trusts and also against new opportunities in the Audiology market. The project team was able to direct Trust teams to the most competitive frameworks and drive a supplier rationalisation exercise that delivered improved pricing and a valuable rebate for spend commitments. The project has produced cost reductions in excess of £300K and generated the confidence of clinicians within several Trusts to implement significant changes in the supplier mix.

“Working with NHS SBS and the Strategic Advantage Programme offered a unique opportunity for both clinical and procurement specialists to work together. The Audiology arm of the programme conducted projects that allowed us to both reduce the cost of our existing arrangements and work collaboratively to standardise our range across ten Trusts. The key to the success of the project was engagement with clinicians with the backing from Trust boards.”
Tony Kay, Head of Audiology Services, Aintree University Hospital NHS Foundation Trust

“With clinicians coming under increasing pressure to support activity to control budgets, the Strategic Advantage Programme provides a welcome opportunity to tackle such challenges through the implementation of clinically-led commercial projects.”
Ian Whiston, Clinical Scientist, Head of East Lancashire Hearing and Balance Service, Clinical Director, Head and Neck Directorate, East Lancashire Hospital NHS Trust

Project: Endosurgery
Clinical Area: Stapling products, trocars and energy-based surgical tools

A key factor in the success of the Endosurgery project was the successful negotiation of a tiered pricing structure with a stapling supplier, that rewarded the collaborative group for hitting pre-determined levels of collaborative spend. This approach provided a clear route to immediate benefits and acknowledged the value of existing usage at several Trusts. Progress was only possible through coordinated messaging by Trust clinical and commercial staff to suppliers, to create confidence in the market that Trusts could deliver on their collaborative strategies. The preference of clinicians to use the previously dominant supplier was originally very strong within this category, so the perceived risks to delivery were high. The project has delivered savings of over £0.5million and demonstrated to the supply market that Trusts are willing to challenge the inflexibility of suppliers that believe their market dominance allows them to demand excessive margins.

Project: Ophthalmology
Clinical Area: Intraocular lenses

Public sector procurement exercises can often be time consuming and heavy on resource, particularly where strict OJEU regulations have to be followed. The ophthalmology project team were able to benefit from an existing NHS Shared Business Services framework agreement that provided a rapid route to market for collaborative call-off contracts. This framework had been pre-configured to support collaborative pricing arrangements, allowing the participating Trusts to quickly commit their individual spends as a single package. By doing so, they secured significant price reductions from the selected supplier, along with substantial clinical on-site support for the implementation of any changes required at Trust level.
The Trust clinicians agreed to commit 90% of their standard intraocular lens requirement, retaining choice on the remainder of their spend in order to ensure flexibility for patients who have more complex requirements. This made implementation much more straightforward for the clinicians and generated savings in the region of £250K.

**Project: Sutures**

Clinical Area: Absorbable and non absorbable sutures.

When considering alternative sources of supply within a clinical environment, the confidence of the clinicians is the main facilitator of change. The sutures project provided another example of a product area where a dominant supplier was protective of its market position, and the only way to change market behaviours was to work with clinicians to strengthen the presence of alternative sources of supply. However, with sutures covering such a wide range of clinical areas, the size of the clinical population was a significant obstacle to surmount. The team succeeded in implementing change through coordinated efforts to inform and influence these stakeholders, via the clinical leads that were on the project team and through clear messaging from both commercial and clinical executives.

The sutures project has created nearly £0.5million in savings, leading with the simpler product types and lower risk procedures, before moving onto the more complex settings.

"Obtaining the right products to ensure the best clinical outcomes while saving money, can appear to be an irresolvable conflict of priorities. The Strategic Advantage Programme enabled us to deliver on both counts."

Robert Salaman, Consultant Vascular Surgeon, East Lancashire Hospital NHS Trust

**Project: Orthopaedics**

Clinical Area: Hip and knee implants

Orthopaedics is considered to be a highly complex clinical area, with strong clinician preferences, often based on the systems used during their original training. With high levels of clinical on-site support being delivered by suppliers, it was clear that attempts to develop standard specifications and supplier rationalisation would be a challenge for the team. However, the clinically led nature of the project created confidence through peer consultation and allowed the team to conduct a very successful tender exercise that has dramatically shifted the balance of power in the market away from suppliers and more towards Trusts. The orthopaedic mini competition delivered Trusts savings of nearly £1million against a target spend of £5.5million. The plan for this area is to now build upon these commercial benefits by working with suppliers to drive for quality improvement and efficiencies through supply chain optimisation, based on a partnership approach.

"The approach of the Strategic Advantage Programme allowed for existing supplier preferences and specifications to be challenged within a peer group setting, allowing a much greater level of standardisation then would normally be possible within a purely commercial project"

Paul Carter, Orthopaedic Surgeon, Aintree University Hospital NHS Foundation Trust

"The collaborative methodology, applied by NHS Shared Business Services within the programme, ensured that orthopaedic specialists and commercial professionals worked closely together ensuring that whilst implant quality was a priority, significant commercial benefit was also achieved."

Mike Manning, Clinical Director, Surgical Division, St Helen’s & Knowsley Hospitals NHS Trust

For further information about the NHS SBS Strategic Advantage Programme please contact Jenny Graham on 0161 212 2419 or jenny_graham@nhs.net