

TradingPartners

Success Story

Client: The Norfolk, Suffolk and Cambridgeshire NHS Supply Confederation

Product: Desktop Computers

Saving: £1.7 Million

An NHS supply confederation needed thousands of new desktop computers. Using eSourcing cut the cost by more than 40 per cent.

Computers are vital pieces of equipment in the modern health service, dealing with huge amounts of information linking hospitals, doctors and patients. But they are a major investment. So it was a big step when an NHS consortium decided to buy several thousand new desktop PCs in its first e-sourcing exercise.

But the results were impressive: the Norfolk, Suffolk and Cambridgeshire NHS Supply Confederation cut the cost of new computers for the Trusts it represents by more than 40 per cent.

The confederation, set up to support a collaborative purchasing approach for NHS Trusts in the three counties in East Anglia, reviewed the use of PCs in the region in late 2004.

It knew a national programme aimed at improving the use of IT in the NHS meant many computers would have to be replaced.



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Rachel Alwin, project buyer of the Confederation

The review by procurement professionals at the Confederation found that at least 4,700 new computers would have to be bought at eight Trusts. Hundreds more were likely to be required by

other Trusts in the region. The total cost, at the prices the Trusts were then paying, would have been about £4 million.

Technical requirements were drawn up and the Confederation started talks with seven suppliers selected from the Office of Government Commerce framework agreement.

TradingPartners were called in to help with the exercise. Their team proposed and developed a structure for the event. All seven suppliers agreed to take part.

The event took place in February 2005 and took just over 2 hours. Altogether 313 bids were received. When the successful bids were accepted, it meant that prices were 43 per cent less than those paid at the start of the project in November 2004, a saving of more than £1.7 million. About three-quarters of this, the Confederation says, was directly attributable to the e-auction.

Rachel Alwin, project buyer of the Confederation, says: "It was totally successful and we've been able to achieve some fantastic savings. This has shown that if you're clear about what you want and use an eAuction in the right environment, it can run very smoothly and produce real results.

"There were a lot of questions at first when we decided to go for eSourcing because many people weren't familiar with it. We explained that it's just a transparent negotiating tool and would form part of the full procurement process.

"We spent months getting the information we needed together, liaising with Trusts and talking to suppliers with the help of TradingPartners. It was crucial to ensure the requirements were clear and that all the stakeholders had confidence in the process."

The eSourcing exercise not only helped save a huge amount of money, but also gave Trusts information about what they were buying and how much it was costing, Rachel says. This "visibility" was an extremely useful by-product of the eSourcing project.

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Success Story cont.

Previously, all the Trusts in the region dealt with suppliers individually. By combining the spending power of the NHS Trusts in the Confederation's region and using the most up-to-date eSourcing techniques with TradingPartners, the best available deal in the marketplace was achieved.

This was one of the latest of hundreds of eSourcing exercises carried out by TradingPartners in the public and private sectors.

TradingPartners commercial director Gary Robinson says: "This was a tremendous achievement. The Trusts in the Confederation are working collaboratively to gain leverage in the marketplace and using new technology to produce great results for the NHS."

TradingPartners offers a global eSourcing service for anything from adhesives and agency staff to work wear and zinc castings, saving clients up to 60 per cent on contracts with suppliers. Its expert staff at its head office in London, UK and in Paris, Milan and Chicago are constantly seeking out and evaluating top quality suppliers throughout the world, making use of the 12 languages they speak fluently. These include the main European languages as well as

Cantonese, Mandarin, Russian, Hindi, Punjabi and several others.

TradingPartners has sourced more than 500 commodities with more than 10,000 suppliers in thousands of sourcing events so far. The vast majority of clients who have taken part in pilot events have progressed to long-term agreements.



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