



Delivering Efficiency, Quality and Sustainability in Healthcare

Associates Programme
Webinar

Innovation procurement of food & catering services
for the healthcare sector

Innovation Procurement?

Gaynor Whyles, EcoQUIP Project Coordinator
JERA Consulting

gaynor.whyles@jeraconsulting.com



- A European Commission funded project under to lead market initiative
- AIM? To demonstrate how to improve the **efficiency, quality and environmental sustainability** of healthcare through innovation procurement.
- Creating an 'Innovation Procurement Leaders Group' of individuals that have competence in innovation procurement and the capacity to pioneer new approaches to procurement.

Pilot innovation procurement projects Poland, Italy, Hungary, UK, Netherlands

AIM? To demonstrate and offer examples of good practice for the wider population of hospitals in Europe.

- Pilots have demonstrated that it is possible to:
 - Stimulate the supply chain to bring forward new solutions and products
 - Deliver efficiency, quality and sustainability using innovation procurement approaches
 - Change procurement practices for better outcomes
 - Regulatory, cultural and process barriers can be overcome
- **Better and more sustainable does not mean more cost!**

Innovation Procurement?

- “Undertaking procurement **in a way** that stimulates the supply chain to invest in developing better and innovative goods and services to meet the unmet needs of an organisation”
- This mean **changing** the way we think about and undertake procurement
- Unlocks the **creativity and innovation potential of suppliers** to deliver better patient outcomes, cost effectively

“The goods and services you need, when you need them, at a price that reflects their value”.



Can we afford not to?

Why innovation procurement ?

Across Europe, healthcare systems are facing major challenges

- Upward pressure on the costs of providing care
- Downward pressure on budgets, as public finances remain constrained
- An unresolved gap between the service on offer and the healthcare needs of populations
- Increased expectations that healthcare budgets and provision must be sustainable
- Increasing hygiene and infection control issues
- Changes in healthcare delivery, patient expectations and an aging population
- New technology creating new opportunities
- Environmental problems and targets



Innovation Procurement?

- Typical problem?
- The **Buyer –Supplier Paradox**

If there was a viable and affordable **solution** to my problem we would buy it

If there was a **demand** we would invest to supply solutions

Innovation procurement creates the missing **demand** and brings new **solutions** and options to the customer

Innovation Procurement?

- Customers tend to buy what is available, rather than asking for what they need
 - Suppliers respond to customer and market demand.
 - In the absence of a clear demand suppliers push ideas and products
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- **It would be better for everyone if customers expressed their needs to suppliers**

Innovation Procurement?

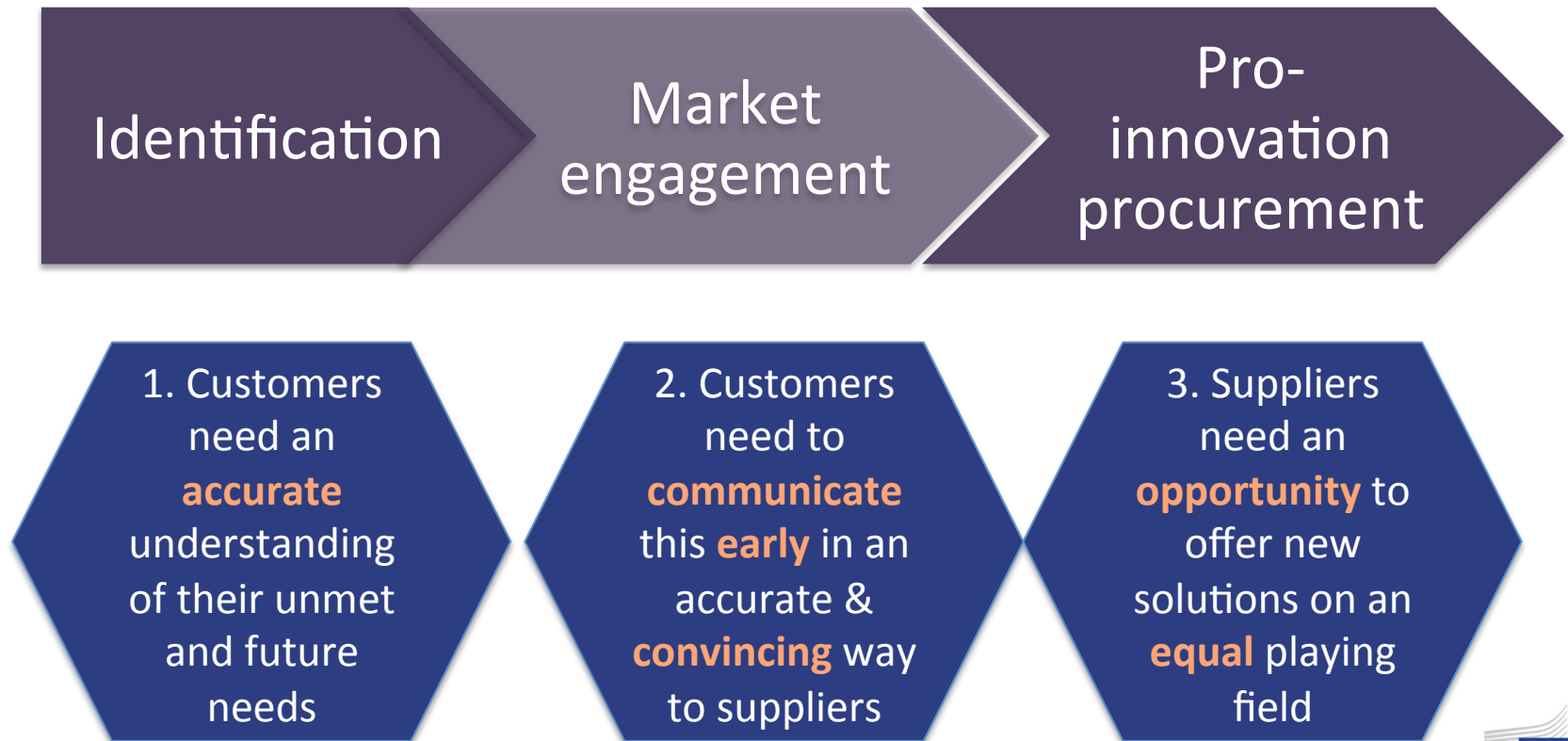
IF YOU DON'T
KNOW WHAT
YOU WANT
YOU CAN'T
ASK

“The key to success was to begin by asking for what was needed – not what we thought was available or affordable. The results have exceeded all expectations”.

John Cartwright, Director of Estates and Facilities, Rotherham NHS Foundation Trust.

Methodology: Forward Commitment Procurement

- Helpful to think of a three-stage process:



Methodology: Forward Commitment Procurement

1. Identification

Recognise problems,
unmet needs &
opportunities

Consult with
stakeholders and set
up team

Define an outcome
based requirement

Prepare a FCP
project outline/
business case

Project approval/sign
off

2. Market Engagement

Market Sounding

Market sounding review &
analysis

Supply chain feedback

Market consultation

Market consultation
report

3. Procurement

Develop a pro-
innovation
procurement strategy

Feedback to the
supply chain and
stakeholders

Implement
procurement strategy

Negotiate
Procurement Contract

Innovation Procurement?

- **Aim:** to support and enable innovation and creativity in the supply chain
- **Key features?**
 - User consultation
 - Outcome based specifications
 - Early market engagement and consultation
 - Wider market development
 - Use of non standard procurement methods:
 - Pro-innovation PQQs,
 - Competitive dialogue,
 - Technical dialogue
 - Innovation partnerships
 - Evaluation based on factors other than price
 - Price based on whole-life cost / total cost of ownership

More information, case studies and tools at:
www.ecoquip.eu