

# Savings through eProcurement and eSourcing

**UKprocure makes eProcurement work in the NHS. Harnessing a proven track record spanning five years, UKprocure helps the NHS strip cost from the procurement process and maximise its collective buying power through truly collaborative eProcurement. Our unrivalled sector and category expertise empowers NHS organisations to negotiate best value contracts. With over sixty NHS organisations placing orders with more than 600 of the UK's leading medical and generic suppliers each month, ours is the most active eMarketplace in the UK, delivering the true savings promised by eProcurement.**

## **The eProcurement Challenge**

The NHS is one of the largest purchasers in the UK, with a total budget of £80 billion and an annual expenditure of over £14 billion on non-pay goods and services. Many of these are purchased through catalogues, and over eight million purchase orders to 25,000 suppliers are placed each year.

The Treasury's 2004 Efficiency Review has put the spotlight on NHS procurement. The Department of Health has agreed a target of £6.4 billion annual efficiency gains by 2007-08. But achieving value for money and savings is an economic necessity, as well as a political target. All NHS Trusts, but especially those with financial deficits, are

looking for ways to achieve fast, yet sustainable savings.

Smarter, strategic procurement, that harnesses proven technology and capitalises on the collective buying power of the NHS, holds the key to making these savings a reality. A key element of this is eProcurement.

***“We saved the equivalent to the cost of running a 20-bed ward for a year with an eAuction from UKprocure.”***

***Finance Director,  
Acute Trust***

eProcurement can help NHS organisations strip cost

from goods and services in the sourcing process and facilitate significant efficiency savings from every transaction. But it's not just about technology. Driving real benefits from eProcurement requires a joined-up and strategic approach to procurement, based on the unique way that the NHS purchases.

eProcurement enables product and process savings at a local level, but these savings can be magnified when the NHS works together collaboratively to place contracts and transact with suppliers.

Collaboration is a driving force within the NHS today. A key NHS initiative is the establishment of Collaborative Procurement Hubs (CPHs). These are

regional purchasing organisations that will accelerate savings for member trusts through collective buying and eProcurement. A key objective of CPHs is to achieve annual savings of £270 million, or around £10-12 million per SHA, by 2007-08. This will make a significant contribution to overall efficiency saving targets. eProcurement will play a crucial role in delivering these savings.

#### **The Leader in NHS eProcurement**

UKprocure makes eProcurement work for the NHS, by helping it to purchase smarter and more efficiently. In just five years and with no government funding we have built up the largest eProcurement network in the NHS. NHS organisations have voted with their feet, embracing the streamlined, strategic and collaborative procurement made possible by our solutions.

Harnessing our robust technology solutions, our unrivalled knowledge of how and what the NHS purchases and our ability to facilitate electronic trading with the leading medical and generic suppliers, we are helping the NHS move towards potential savings of

£1billion from its combined procurement budget.

***“We save £18,000 for every 8,500 invoices received electronically.”***

***Procurement Director, Acute Trust***

#### **UKprocure Solutions**

Founded by medical and procurement professionals, we understand where and how to take the cost out of NHS procurement, by helping the NHS negotiate better prices for goods and services and facilitating the achievement of significant efficiency savings from every transaction.

#### **UKprocure Sourcing Solutions**

In 2004 we hosted the UK's first pharmaceutical products reverse eAuction, helping an NHS Trust generate savings of £640,000 – the equivalent cost of running a 20 bed ward for a year. Since then our Sourcing Solutions team has helped NHS Trusts throughout the country save between 10-50% on the value of contracts with suppliers. Our Sourcing Solutions team combines innovative eSourcing technology with proven category management and

domain expertise, to help NHS organisations identify, create and deliver sustainable and significant savings from procured goods and services.

***“We saved £600,000 over three years, with the UK's first medical products eAuction hosted by UKprocure.”***

***Director, NHS Organisation***

#### **UKprocure eMarketplace**

The UKprocure eMarketplace supports the largest trading network in the NHS. With over sixty NHS members and the largest medical supplier base of any UK eMarketplace, it delivers the highest levels of efficiency savings and transaction volumes.

Where the UKprocure eMarketplace is used with a modern eProcurement system, savings are achieved and the cost of managing content and delivering electronic orders is greatly reduced.

Members of the UKprocure eMarketplace have shown that the average cost of the

procure-to-pay cycle is £30. This can be reduced to as little as £4 when transactions are processed through the UKprocure eMarketplace, because of the time and resource savings it delivers.

The UKprocure eMarketplace is a Catalogue Management and eCommerce Transaction Hub that automates trade between buyers and suppliers, from requisitioning to invoicing.

UKprocure understands that excellent catalogue management and transaction hubs alone are not enough to make eProcurement deliver cashable savings. As part of our solution, we deliver a proven Network Development Service, to maximise the trading connections, transaction volumes and savings for all buyers and suppliers.

Membership of the UKprocure eMarketplace has been the catalyst for our sixty NHS Trust members to form the NHS Trading Network (NHSTN). Working together collaboratively, the NHSTN is establishing shared procurement procedures, paving the way for cash-releasing and

efficiency savings across the NHS.

***“The cost of processing each transaction falls from £30 to £4 when we process them through the UKprocure eMarketplace.”***

***Procurement Director,  
Acute Trust***

#### **Collaborative Procurement**

The NHS will only achieve the highest savings from eProcurement when it capitalises on its collective buying power. That’s why our solutions have been designed to facilitate collaborative procurement cost-effectively.

The UKprocure eMarketplace is a collaborative procurement solution that delivers amplified efficiency savings for trusts within buying consortia, including CPHs.

A key feature of the eMarketplace is its ability to facilitate different levels of collaboration, enabling local, regional or national access to contract-based catalogues.

Trusts can purchase from these catalogues using their existing eProcurement system, whatever technology platform it is based on. This means that all NHS trusts can quickly benefit from the efficiency savings delivered by procuring from centrally held catalogues, without having to rip out and replace their existing finance and procurement systems.

The purchasing intelligence built up through procurement via the eMarketplace empowers informed and strategic negotiation of future contracts with suppliers.

#### **The UKprocure Difference**

Value for money, efficiency savings and collaboration are all key drivers for the modernising NHS. Working with UKprocure, NHS Trusts can meet these drivers. Our proven track record within the NHS, understanding of the way health organisations purchase and our ability to strip cost from each stage of the purchasing process, make us the eProcurement partner of choice for the NHS. With UKprocure, potential savings become a reality. And that’s the UKprocure difference.

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