

Insourced Procurement Service Delivered to London NHS Trust

CHALLENGE

Our client was an NHS Trust based in London who required an insourced procurement service.

Apsiz, along with their specialist partner Peto, delivered a unique set of resources, tools and data to the client over a two year period.

This comprised of experienced NHS procurement staff, a procurement marketplace, wider channel comparison technology (including real time market and cross-NHS benchmark data), and automated RFP and tactical negotiation.

SOLUTION

To deliver the solution, qualified resources were placed on the client site as an insource team to compliment the client's existing procurement team, with the purpose of improving sourcing effectiveness and delivering savings across the in-scope spend.

The solution managed a high volume of individual orders to drive savings from:

- The same product from the same supplier at a lower price
- The same product from a different supplier at a lower price
- A fit-for-purpose alternative product at a lower price
- Re-directing requisitions to existing NHS Trust catalogues

The solution was paid for on a 'payment by results' basis as a gain share of realised savings for the client, along with an initial set-up fee.

RESULTS THAT SPEAK FOR

- ⇒ Managed client's off-contract and uncommitted third party spend which involved 3,500 suppliers and £38m spend per annum.
- ⇒ KPIs linked to savings of:
 - Year 1 - £1m (on £25m spend)
 - Year 2 - £3m (on £50m spend)
 - Year 3 - £4.5m (on £60m spend)
- ⇒ KPIs linked to supplier reductions of:
 - Year 1 - 10% reduction
 - Year 2 - 25% reduction
 - Year 3 - 80% reduction
- ⇒ Implemented in 3 key phases:
 - Mobilisation and Setup
 - Control and Leverage
 - Consolidation
- ⇒ 1st quarter managed spends <£25k, 2nd quarter managed spends <£50k, and after 6 months spend >£100k.