

IMPROVE PROCUREMENT PROCEDURE

- Procurement is one of the cornerstones of a functioning unit.
- If not properly handled, it can lead to the downfall of an institution.

AIM

List one aim here (must be SMART = Specific, Measurable, Actionable, Reliable, Timely)

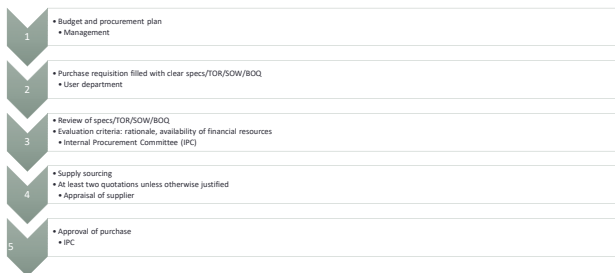
To maximize economy and efficiency in procurement (and disposal of) of goods for the institution

FLOW MAP OF PRESENT STATE BASELINE STATE

Procurement of goods was random

- Rampant emergency orders to replenish stocks
- Not much regard for rationale
- Scanty statistics to guide consumption
- No clear targets to forecast needs
- Records scanty

FLOW MAP OF FUTURE STATE (Current)

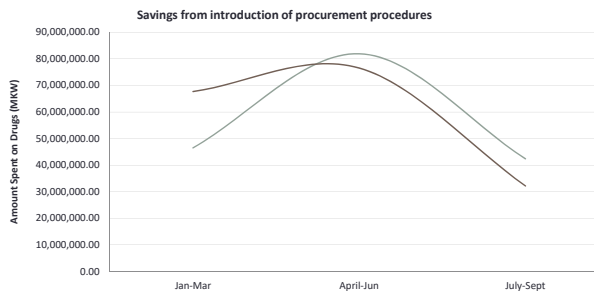


PLAN DO ACT STUDY CYCLE



DATA: Savings In Procurement Of Medical Supplies

	2019	2020	Difference	Comments
Jan-Mar	46,484,718.42	67,675,828.63	21,191,110.21 ↑	No controls
April-Jun	81,905,394.85	76,526,732.41	5,378,662.44 ↓	IPC organized and started functioning in April 2020
July-Sept	42,380,843.04	32,146,058.14	10,234,784.90 ↓↓	



RESULTS

- Explain the data.
 - The year 2020 started on a high note, with the cost of drugs in the first quarter of 2020 increasing by about 30% from ~46.5mil 2019 to ~67.7mil in 2020.
 - Following the trend of 2019, we would have expected over 50% i.e. a doubling of 67.7mil to ~140mil to be spent on drugs in the second quarter of 2020. Instead only half (76.5mil) of the anticipated amount was spent.
 - Comparing the third quarter expenditure, the figure has come down to less than 50% what was spent in the first quarter in 2020, while in 2019 there was only a negligible difference between the first and third quarter.
 - Needless to say that in April 2020, the institution engaged in panic buying of medical supplies (in bulk) in preparation for a potentially difficult time due to the Covid 19 pandemic.
 - Patient statistics somewhat went down, especially the outpatient attendance, during the time there was a slight hike in Covid 19 cases and deaths.
- Accomplishments:
 - There has been a general reduction in ordered quantity of goods according to well calculated/estimated need.
 - Orders are predictable, hence less emergency orders
 - Quality of goods supplied is under check, ensuring that it is in line with our specs.
 - We are spending less on consummables than before IPC was put in place.
 - There is fewer drugs expiring on the shelf, in fact there are traded off as much as possible before the time of expiry.

SUMMARY

- What did you learn?
 - We are observing and can confirm that having procedures in place for procurement of goods at our institution is helping us to give thought into what we do.
 - It has proven clearly that we need a well thought through budget in line with an implementation plan.
 - It has made it necessary to have an implementation plan that originates with the departments
 - Procurement procedures are somehow bringing us together.
 - There is transparency.
 - We can save, if we try
- What is the result for your patients and institution?
 - When we have spending in order, service to our patients is improved, hence more satisfaction and more clients.
 - Income generation is ensured and may be increased
 - Sustainability of the services is secured
 - Staff is motivated

FUTURE STEPS/ WHAT'S NEXT?

- What do you want to do next?
 - Demand from the accounts department better flow of funds and timely payment to suppliers
 - Business office to trace purchased goods so that delivered goods are in line with expenditure.
 - To have a procurement plan for 2021
 - Improve tracking/depreciation/replacement of long-term capital assets
- Will you work on a similar process? Or is there another part of the problem that you want to work on?
 - There are plans to make infrastructural improvements by constructing a new hospital which can freely house specialist care and supporting departments
 - Sole aim is to improve patient flow and increase efficiency