

Operating Model Supplier Newsletter



Issue 2 / May 2018
FOM@dh.gsi.gov.uk

Welcome...to Issue 2 of your bi-monthly Operating Model supplier newsletter. Since the last issue the programme and development of a new Operating Model for the NHS Supply Chain have taken a huge step forward with:

- The new management function (formerly referred to as the Intelligent Client Coordinator) went live on 1 April 2018.
- 46 NHSBSA staff TUPE'd into the management function.
- NHS Supply Chain customer engagement team to TUPE in June 2018.
- Sourced new offices in Nottingham.

Medical Towers Go Live on 8 May 2018...in a few days Towers 1-6 will be operational. The contracts for these Towers were awarded to the Category Tower Service Providers (CTSPs) in November 2017.

Following the award announcement, the Category Towers entered into a six month transition phase during which they have been busy working with the management function to develop their Category Tower Strategies, prior to the Towers becoming operational. Category strategies set out the approach CTSPs will take to procure products in a specific product category area and are key to CTSP deliverables.

How to engage with CTSPs...below are the contact details of the Medical Towers Managers and Category Tower Managers who will be working with Towers and Suppliers.

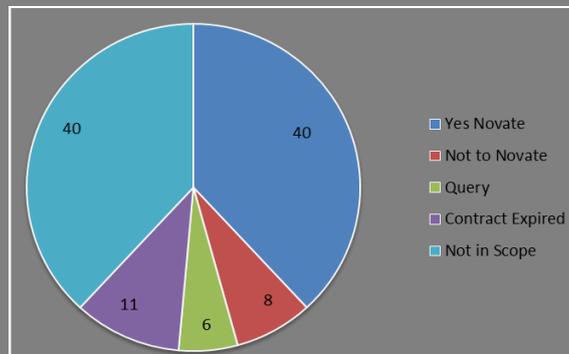
Update on Non-Authority Contracts...the

Novation team have been busy working with Category Tower Service Providers (CTSPs) to novate contracts and frameworks belonging to them that are for goods within the scope of the new operating model and in direct competition with another provider.

The team have:

- embedded in the category tower contracts that providers will not compete with each other
- understood provider (commercial) portfolios and where existing contracts and frameworks may be affected by this clause.
- written to all affected suppliers to help them understand what will happen and by when.

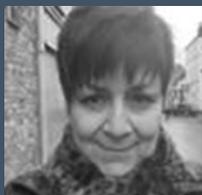
Where CTSPs do have existing contracts that overlap with the current Authority contracts, there is no intent to stand down these contracts but to transfer them as live commercial agreements. Pricing structures and commercial arrangements will remain static in the transfer.



Out of 105 contracts submitted to the team to discuss novation, 40 were identified as being in scope to novate.

	Medical Tower Manager	Category Tower Manager
1	DHL (Ward Based Consumables) Nicola Harrington nicola.harrington@supplychain.nhs.uk	Alan Woodworth alan.woodworth@nhs.net
2	CPP (Sterile Intervention Equipment and Associated Consumables) Jane Harrison jane.harrison5@nhs.net	June Jeremiah june.jeremiah@nhs.net
3	DHL (Infection Control and Wound Care) Nicola Harrington nicola.harrington@supplychain.nhs.uk	Dennis Smith dennis.smith3@nhs.net
4	CPP (Orthopaedics, Trauma and Spine, and Ophthalmology) Kath Ibbotson kath.ibbotson@noecpc.nhs.uk	Henry Okolieh henry.okolieh@nhs.net Argentina Hung argentina.hung3@nhs.net
5	CPP (Rehabilitation, Disabled Services, Women's Health and Associated Consumables) Chris Hassall chris.hassall@lpp.nhs.uk	Syed Haujee syed.haujee@nhs.net
6	HST (Cardio-Vascular, Radiology, Audiology and Pain Management) Mark Hart mark.hart@supplychain.nhs.uk	Chris Blackburn chris.blackburn1@nhs.net

Clinical & Product Assurance (CaPA) function appoints new Director...Jo Gander appointed as the new Director of CaPA.



Jo has over 30 years healthcare experience, initially as a registered general nurse, then in medical devices and pharmaceuticals organisations within a range of roles from sales, marketing, clinical and general management.

Jo has also worked locally and regionally within the NHS as a commissioning group director in a Care Trust and more recently as a senior programme lead within NHS England National Team.

The role of CaPA is to... assure product evaluations undertaken by CTSPs are effective and inform product usage in the NHS to promote the use of safe high quality products in the NHS.

How will this be achieved...



CaPA has an assurance framework that covers product evaluations with the focus on the quality.



Quality Assurance Tool provides measurement and benchmark of quality.



Enables CaPA to systematically review the quality of product evaluations.



Establishes clear quality governance arrangements, consistent quality management and monitoring.

SRM Logistics...the Logistics and Inventory Management teams at NHS Supply Chain have launched a refreshed Supplier Relationship Programme which will improve information exchange and offer mutual benefits and improved service performance.

The aim is to work collaboratively to enable early warning and mitigation of potential supply chain disruption and provision of key operational performance information, in support of the on-going improvement to customer service and savings delivery for the NHS.

The team will share information with key suppliers under four headings in Supply, Service, Product and Operations using a combination of the following tools:

- Weekly Service Overview Reports, Conference Calls, Key Line Trackers, Forecasting, DCD Performance, Formal meetings, Product Review Process and an Annual Performance Report.

For more information contact
scott.murray@supplychain.nhs.uk

Glossary of terms... “there are so many abbreviations and in-house terminology - I have no idea what is being talked about.”

This is a regular observation made by many of our suppliers, so we have produced a glossary of terms to help you decipher this world of acronyms and business-speak, which can be viewed at <https://www.supplychain.nhs.uk/icc/>

Please let us know what else we can add to this list by emailing FOM@dh.gsi.gov.uk.

Range Optimisation is a key focus...of the Category Tower Service Providers (CTSPs) and a review of the current position is underway.

This is also a key area in the development of category strategies and the CTSPs are looking at ways to improve the range and we look forward to updating you more on this activity in the coming weeks and months.

Amendment to NHS Supply Chain Code of Conduct...due to recent national procurement activity within NHS Supply Chain framework agreements, it was highlighted that some suppliers have been providing products that fall below the specification against which they won the right to supply the NHS. By providing products that fall short of the required specification, suppliers may be in contravention of the safety and effectiveness requirements of the framework agreement, thus jeopardising patient safety.

All suppliers are urged to review the products that they currently supply to ensure they meet all performance and quality claims and match samples that were submitted.

The NHS Supply Chain Code of Conduct will be amended to include the following clause with immediate effect: *‘Information, claims and comparisons for all products must be accurate, balanced, fair, objective and unambiguous. They must not mislead either directly or by implication. Any information, claim or comparison must be capable of substantiation.’*

NHS Supply Chain reserves the right to conduct random testing at any time.

To read more about supplier code of conduct visit <https://www.supplychain.nhs.uk/suppliers/>

Supplier Relationship Management (SRM) update... since the last newsletter the SRM team have met with over 20 suppliers for 1-2-1 conversations. We've also spoken with suppliers at a number of events including:



- BAREMA Conference
- BHTA Conference
- Akeso (Tower 8) - Supplier Day
- Cabinet Office SME Webinar (80 attendees)
- Welch Allyn National Sales Meeting

We welcome opportunities to discuss what we are doing with suppliers and trade associations and always welcome feedback.

If you would like to meet and discuss the new NHS Supply Chain Operating Model, please contact the SRM Team at thomas.best@dh.gsi.gov.uk. Below is a selection of what some of our valued partners have had to say:



“” On behalf of the **Barema Council** and members, I would like to express our thanks for the presentation you gave at the recent Barema Members Spring general meeting; the content was very informative and your contribution to the day was much appreciated by all. Without people such as yourself giving your time so generously we would not have such valuable meetings.

“” **Stryker** has welcomed the engagement with the Department of Health & Social Care to help us understand the plans for implementation of the Future Operating Model (FOM) and the impact this may have on our interactions with the NHS. We are encouraged by the plans and welcome the move towards value based procurement with clinical engagement at the heart of decision making. We look forward to continued engagement as implementation progresses and ultimately delivering to our customers innovative products and business models that enable them to produce superior clinical outcomes, and value that is meaningful to all stakeholders.

“” **Olympus Medical** have had considerable and constructive dialogue with the DoH team over the last 9 months, allowing us to gain a deeper understanding of the FOM. This has been hugely helpful and the ongoing communication means we feel well informed of the future changes as well as giving us the opportunity to provide feedback to DoH on the key aspects that need to be considered from a suppliers perspective. Ultimately we are engaged with the FOM development and hope that it can achieve a better future for delivering healthcare and driving Operational Efficiencies in the NHS.

“” For **B Braun**, the Future Operating Model (FOM) represents huge change in the way that suppliers engage and work with the NHS. Our experience of the FOM Team has been very positive with extremely high levels of openness and engagement to really support us in understanding not only the risks but also the opportunities in how we can add value to the NHS and patients through our innovation. Change is always more challenging when the unknowns are great but there is no question that the FOM Team have strived to support us in ensuring that we have the knowledge to manage our market strategies.

“” **BHTA** recently had the pleasure in welcoming Paul to our BHTA members' meeting. Paul shared a wealth of information highly relevant to all those members who will be dealing with the new procurement operating model selling into the various category towers. We had extremely positive feedback from all attendees and would thank Paul for taking time out to be with us. Personally I hope he can return at a later date to provide a progress update and for our members to share their experience of operating with the new model.

“” The engagement with senior figures from the Department of Health in relation to the Future Operating Model (FOM) has been hugely positive and helpful in allowing **AXREM** members to understand and adapt around issues affecting the Imaging Industry and the new UK healthcare procurement landscape. In particular, we have welcomed the open door approach and your willingness to receive our input regarding the procurement of MedTech Capital Equipment. The move to the new Future Operating Model is a positive first step in the shift towards the goal of procuring for clinical outcomes and value based health care, which is something that we have been requesting for many years. We remain optimistic for the model and the mutual benefits it may ultimately deliver for patients, the tax paying public and Medtech organisations.

“” Very many thanks for attending (and presenting) at **Akeso's** first key Supplier Event yesterday. I thought it went very well and had an excellent turnout. Although Akeso have already met nearly all of their major suppliers on a 1:1 basis (as they have with ABHI, AXREM and BIVDA) it was an opportunity for them to widen the supplier audience and they had 53 representatives from 45 different suppliers attend yesterday. It was also an opportunity for the Blue Team, who are joining Akeso, to come to their London offices and to attend the event..

Summary of the Akeso supplier event...Akeso & Co held their first supplier engagement event on 27 March 2018, in support of Category Tower 8 (CT8) mobilisation and to gather supplier/market input into the Category Strategy development.



Key aims for the event were to:

- ensure that suppliers understood the Operating Model programme and direct implications for them.
- communicate the timing and approach being taken to mobilise CT8 and develop sector-leading, market centric category strategies which address NHS provider requirements.
- invite supplier input and encourage supplier engagement through mobilisation and go live.

In total, 82 people participated in the event, including:

- 53 representatives from 45 external suppliers thus enabling CT8 to reach suppliers with a total spend of c£40m (c75% of total CT8 spend of £54m).
- 16 representatives from nine non-supplier organisations that are highly relevant to CT8 including: Department of Health and Social Care, NHS Business Services Authority, NHS Improvement, Category Tower 7 and supplier associations (ABHI, AXREM, BIVDA and Gambica).

Over 40 questions were submitted during the event, immediate event feedback from delegates was extremely positive.

Our commitment to you...as part of our on-going commitment and development of this newsletter, we welcome your feedback and input into what you would like to see in the next issue by simply emailing FOM@dh.gsi.gov.uk by 20 June 2018.

For the next issue our thoughts on articles include: Innovation, Capital and Non-Medical Towers going live, CaPA, bio's of all the Category Tower Service Providers and more...

Keeping engaged...it's important that all suppliers are engaged and help to shape the way the new Operating Model will continue to develop over the coming months.

To help keep yourself engaged there are a few ways you can do this:



FOM@dh.gsi.gov.uk, a dedicated mailbox which is a key channel if you have a question, comment or for more information.



NHS Supply Chain website <https://www.supplychain.nhs.uk/icc/> which includes more information about the new operating model, latest set of supplier Q&As and any new developments.



Supplier Relationship Management (SRM) function are keen for everyone to have a 'voice' and remain fully engaged. For more information or to book a meeting with Paul Webster, Peter Hawkins, George Best or Louise Hillcoat, email thomas.best@dh.gsi.gov.uk.

High-Cost Tariff-Excluded Devices (HCTED) forthcoming engagement event...

the national NHS England HCTED programme team will be holding an engagement event in London on Wednesday 6 June for all trade associations that represent [HCTEDs](#) suppliers, to provide an update on the recent restructure and reprioritisation of the programme as well as how the programme will be incorporated into the new operating model of NHS Supply Chain.

If you are a supplier of HCTEDs, and have questions, concerns or comments relating to the programme please direct them either to your respective trade association(s) or NHS England at ENGLAND.speccomm-hcted@nhs.net by Friday 11 May 2018.

