

FINDING PRACTICAL, LOW-COST SOLUTIONS THROUGH SUPPLIER PARTNERSHIP

An interview with **Peter Hogarth**, corporate account executive for Cook Medical in the UK, Ireland and the Netherlands. Questions by **Georgina Ringrose**.



Q) Describe your typical day?

The first thing I do is scan my email. My car, train and/or plane journey usually starts before 6am. My day could include meetings with procurement, supplies and clinical departments as well as conference calls. Finding a good phone and wi-fi signal takes planning, as airports, trains and hotels are not ideal locations for quiet business conversations.

Q) What does a corporate account executive do?

I work with finance, procurement, supplies, clinical and non-clinical teams in most hospital departments. I act as a central point of contact for trusts and coordinate procurement-related projects across the Cook clinical divisions and our shared service teams.

Q) How do you think suppliers can help trusts increase efficiency and make savings?

Procurement teams in trusts are typically challenged to make year-on-year savings of, say, £5m of non-pay spend within their overall Cost Improvement Programme (CIP). If it has the budget and resources, a trust can buy into a 'ready-made solution' from a supplier to help do this. However, in my experience, that requires a lot of operational change and investment; not all trusts have the resources to make those changes.

Closer supplier relationships and a mutual understanding of objectives can facilitate trusts and suppliers to find and implement practical, low-cost solutions. These low-cost solutions can bring trusts closer to their

savings targets without huge investment. For example, we can provide trusts with supply chain data to review the frequency of purchase orders being raised. By consolidating orders and shipments, we can save time and effort for both sides, which in turn improves processes and reduces costs.

Q) Is there a secret to helping trusts improve efficiency?

Honest conversations and mutual agreement on what our objectives are (from a supplier and trust perspective) have been the biggest drivers of change.

To ensure that this collaboration leads to efficiency, I focus on linking our in-house specialists in e-commerce, catalogue management, etc., to the relevant procurement and supplies team in the hospital. This has really driven improvements in their processes and increased their efficiency, and ours too. For example, one of our progressive customers works really closely with us to align our catalogues. Through better communication and understanding their challenges, we were able to make some changes. These led to improved ordering processes and spend visibility linked to category managers, as well as much cleaner catalogues for both of us. Better visibility of their spend helped them become more accountable and efficient.

Q) Have the trusts' approach to supplier relationships changed over the last five to 10 years?

I've seen a big change with a number of hospitals that work with Cook Medical. Previously, procurement and supplies departments were not fully engaged with suppliers. We predominantly worked with

the clinical teams. Today, we have customers who we work with at a strategic level on the business side, where we understand what each other's objectives are. It's a positive change, because we are able to talk openly with each other in order to make savings and efficiencies while delivering better patient outcomes.

Q) What is the biggest challenge in implementing a cost-saving solution in a trust?

Often the challenge lies within the structure and priorities of the procurement and clinical departments. A skilled clinician may put a lot of pressure on the procurement team to bring in new technologies to provide improved long-term patient outcomes. However, the procurement team is more likely to be challenged with making savings on an annual basis and unable to capture the long-term savings a new technology may bring within a CIP.

The key to overcoming different priorities is having the right people together in a room to enable clear, open discussion on how new technologies will be factored into the CIP and deliver savings further downstream.

Our founder Bill Cook believed in doing the right thing for the patient. I feel this is the best starting point for any conversation. It's important that suppliers fully understand the hospitals' procurement objectives and clinical objectives so we can work together in a unified manner. We need good leadership on both sides to find practical solutions and drive positive change.

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