

# Clinical and procurement reform leads to significant cost savings for NHS Foundation Trust

## The situation

The chief procurement officer at Guy's and St Thomas' NHS Foundation Trust in London was looking for new ways to save costs in the supply chain through more strategic relationships with suppliers. Historically, supplier relationships were focused on unit price and the Trust wanted to pursue wider process efficiency opportunities and structured clinical engagement. Cook Medical was one supplier that the Trust challenged to establish a different kind of partnership.

At their first meeting, it was obvious that Cook could help Guy's and St Thomas' make substantial cost savings, but both parties quickly realised they would need to approach their relationship differently than they ever had before.

## A holistic approach

Cook approached Guy's and St Thomas' with a proposal, which would allow them to reduce the number of suppliers they purchased products from and improve their existing supply chain. Consolidating products required the support of the lead clinicians as well as the procurement team. Cook's representatives supported the conversion through planned evaluations ranging from lab time to full product evaluations with the Trust's doctors in the radiology department. The clinicians were happy with Cook's product offering, even discussing further product conversions in the future.

## Supply chain efficiency

The other important part of the cost-savings project was stock management. Guy's and St Thomas' was using two different systems to track consignment stock through the system, which was leading to confusion about where products were located and if they were close to expiring. It also introduced the potential for high-value stock to go out of date, which was costly to the Trust. The clinical team was frustrated— a common view was that they "had the product we want... somewhere" —but the incompatible systems were inconvenient and inefficient.



Goal was to help Guy's and St Thomas' deliver savings, which required support from business and clinical teams.



Cook and Guy's and St Thomas' worked together to ensure that clinicians supported the proposed product consolidation.



Cook reorganised the inventory management system and cleaned up the product catalogue data to ensure error-free ordering.



Partnership resulted in £250,000 in savings in the first year, with potential for £500,000 in savings over two years.

## Supply chain efficiency (continued)

Helping Guy's and St Thomas' manage its stock meant completely overhauling its product inventory across multiple clinical divisions. This process involved converting high-usage items from consignment to purchased stock, which lowered cost for the Trust, and refreshing any remaining consignment items with new stock.

Cook worked with the Trust's supply chain team to cleanse the catalogue data and ensure error-free ordering, and to fully optimise the Trust's automated inventory management system, Smartstore. They also set new stock holding levels that were based on historical product usage. These efforts reduced clinical frustration and administrative costs and helped to ensure that the right product was in the right place when needed.

## The result

The collaboration between the three parties—Cook, the procurement team, and the clinical team—represented a positive change in the relationship between Cook and Guy's and St Thomas'. The two organisations have committed to periodic business review meetings to ensure that their current cost-savings efforts continue and to identify new opportunities in the future. Strong communication continues between the procurement team, clinical team, and Cook to ensure that the savings target is reached.

The initial changes made between the Trust and Cook have successfully reduced costs and improved efficiencies for both organisations. The clinical awareness of the full Cook product offering for the radiology department has allowed for product and supplier consolidation. The stock management and inventory issues have improved significantly. In the first year after making the change, the trust saved an estimated £250,000, and the savings is expected to be the same for the second year.

## Contact us

For more information or to arrange an appointment with one of our Healthcare Business Solutions team members, please e-mail us at [info-EMEA@cookmedical.com](mailto:info-EMEA@cookmedical.com).



Guy's and St Thomas' NHS Foundation Trust comprises two of London's best-known teaching hospitals: St Thomas' Hospital and Guy's Hospital. It is one of the largest foundation trusts in the UK with over 1000 patient beds and more than 2 million patient contacts a year. Guy's and St Thomas' has one of the largest critical care units in the UK and one of the busiest A&E departments in London. It is also the largest provider of elective surgery in the NHS.\*

\*11/12 HES data, elective inpatient spells

**"By engaging with Cook in a different way we have achieved significant efficiency benefits in terms of simplified supply chain and focused clinical support."**

—David Lawson  
Chief Procurement Officer  
Guy's and St Thomas' NHS Foundation Trust



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