

**For Immediate Release – March 2004**

## **Monash Medical Centre leads Health Industry e-commerce initiative**

Southern Health's Pharmacy Department at Monash Medical Centre (MMC), in conjunction with Clifford Hallam, Hospital Supplies of Australia (HSA) and Orion Laboratories, will embark on an innovative e-commerce supply chain project, known as the MMC project.

The project will demonstrate to the Health industry the improved trading efficiencies and cost savings that can be achieved through Electronic Data Interchange (EDI) and improved supply chain management.

Supported by the Victorian Government's e-Commerce Exhibition Projects Program (ECEPP), Health Purchasing Victoria (Project Chairman) and EAN Australia (Project Manager), the MMC project aims to have a demonstrable model developed by July 2004, with project results reported by October 2004.

Simply stated by Ian Larmour, Southern Health's Director of Pharmacy, "The most critical outcome is that this process can be duplicated by other hospitals and their suppliers. The key benefit of hospital budgetary savings can then be passed on to improve the level of patient care within Australia's hospital and health care system, whilst at the same time, improving the profitability of Australia's health industry suppliers".

Marsha Thomson, Victoria's Minister for Small Business and Information and Communication Technology, said: "The MMC project highlights the enormous benefit e-commerce offers in helping reduce costs, save time, open new markets and build better business relationships."

"Through initiatives such as the ECEPP, the Victorian Government is showing its ongoing commitment to ensuring that local businesses and industries are able to share the benefits of e-commerce."

### **Current Situation**

To gain unilateral support across the Australian pharmaceutical/health sector for a one-standard identification system, the MMC project needs to demonstrate to all industry suppliers, both large and small, the benefits achievable such as accurate inventory management and lower operating costs.

Currently this supply chain is mainly paper based with manual processing. At best it sends purchase orders electronically. By comparison, some parts of the Australian retail supply chain are completely electronic from purchase order to remittance, realising invaluable benefits.



### **MMC Project Scope**

To establish a live supply chain demonstration site between MMC project members by using an e-commerce solution, using EAN•UCC standards, in supply chain process of ordering, processing, packing, despatch and receipt of goods.

The supplier process will include:

- receipting the purchase order via EDI
- scan packing items into cartons using the EAN•UCC system
- placing the EAN•UCC number and bar code on the physical shipment
- sending an EDI despatch advice to the Merlin pharmacy system

The hospital process will include:

- sending the purchase order via EDI from the Merlin pharmacy system
- receipting a purchase order acknowledgement
- receipting the appropriate despatch advice and
- scan receipt/validation of goods via the EAN•UCC label

### **Expected Results**

Pharmaceutical/health suppliers, especially SMEs, will benefit from reduced cost of order processing, increased accuracy and reduced volume/costs of credits.

Hospitals will benefit from lower administration costs in processing/receiving orders, minimal stock-outs and reduced lead times.

For more information please contact Sue Schmid of EAN Australia on 1300 366 033 or email [sschmid@ean.com.au](mailto:sschmid@ean.com.au).

## **Background**

### **e-Commerce Exhibition Projects Program (ECEPP)**

ECEPP aims to support clusters of Victorian small and medium-sized enterprises (SMEs) in key sectors of the Victorian economy to develop innovative approaches to B2B e-commerce that can reduce their costs, improve business relationships, save time and/or expand their markets.

ECEPP funding has been provided to SMEs in fields such as retail, construction, food processing, agriculture, transport and manufacturing. The Victorian Government funds up to 50 per cent of the cost of an individual project.

ECEPP is part of *Victoria's E-Commerce Advantage*, the Victorian Government's framework for increasing the uptake of e-commerce. This framework builds on the Victorian Government's *Connecting Victoria* policy.

### **EAN Australia**

EAN Australia is the local Member of EAN International. The mission of EAN International and the Member Organisations is to take a leading role in establishing a global multi-industry system of identification and communication for products, services and locations based on internationally accepted and business led standards – The EAN•UCC system. The objective is to improve the efficiency of integrated logistics while contributing added value to partners involved, as well as to consumers. [www.ean.com.au](http://www.ean.com.au)

### **Clifford Hallam Pharmaceuticals**

Clifford Hallam Pharmaceuticals is one of Australia's leading pharmaceutical and medical consumable distributors to the hospital and healthcare sector. Established in 1973, this Australian company has established a strong national reputation over the last three decades.

### **Monash Medical Centre**

Monash Medical Centre is the largest hospital within Southern Health and is one of Victoria's major teaching and tertiary referral hospitals. MMC, which has over 700 beds, provides medical and surgical services, maternity services, palliative care and adult, adolescent and child mental health inpatient services requiring complex and multidisciplinary activity and significant technological support.

### **HSA (Hospital Supplies of Australia)**

HSA specialises in providing Australia's largest range of hospital products including pharmaceuticals, medical & surgical consumables, equipment, agency and general products. HSA provides distribution solutions and efficiencies to hospitals and health care facilities throughout Australia. HSA has been the leader in hospital electronic order and information systems with its Simple-Order-System (SOS).

### **Orion**

ORION Laboratories Pty Ltd was founded in 1985. It and markets an extensive range of ORION branded products including prescription products, over-the-counter medicines, formulated devices and antiseptics. ORION also offers contract-manufacturing services to other organisations and hospitals seeking specialised products manufactured in a TGA approved facility. Visit at [www.orion.net.au](http://www.orion.net.au)

### **Health Purchasing Victoria**

Health Purchasing Victoria commenced in July 2001 and has a responsibility to facilitate reform of the procurement system for Victorian hospitals and health services. This organisation reports to the Minister for Health.