

eCOMMERCE IN THE HOSPITAL PHARMACEUTICAL SUPPLY CHAIN PROJECT



Ultimately, this project will aim to set the standards that other companies in the health-care and pharmaceutical industries can use as they become increasingly active in the area of e-commerce and supply chain management.

The eCommerce in the Hospital Pharmaceutical Supply Chain (Monash) Project has exciting implications for all manufacturers, suppliers, wholesalers and hospitals participating throughout the hospital pharmaceutical supply chain, as well as those operating in the broader health supply chain.

PHASE ONE: THE INITIAL DEMONSTRATION SUPPLY CHAIN

The Monash Project - began in November 2003 with the aim of clearly demonstrating the benefits of implementing the globally accepted standards of the GS1 System (formally the EAN-UCC Standards) into the pharmaceutical supply chain.

Phase 1 of the project was to establish a significant but achievable demonstration supply chain between Monash Medical Centre (MMC) Pharmacy Department and three of their key suppliers by introducing the concepts of e-commerce using GS1 identification, bar coding and eMessaging guidelines in the areas of ordering, processing, picking, packing, despatch and receipt of goods.

This was supported by a \$50,000 grant issued to Clifford Hallam Pharmaceuticals by the Victorian Government's e-Commerce Exhibition Projects Program (ECEPP).

BENEFITS, CHALLENGES AND KEY LEARNINGS

Quantifiable key performance indicators (KPI) were measured throughout the implementation of phase 1, leading to the identification of a number of benefits, challenges and key learnings, all of which added to the value of the project to participating companies and the broader pharmaceutical industry.

BENEFITS REALISED

- Decreased number of invoice claims by MMC on one wholesaler
- Increased accuracy of orders received by the hospital pharmacy
- Reduced receiving time by the hospital pharmacy

KEY LEARNING

- The importance trading partners sharing their master data prior to implementation of electronic trading as well as ensuring this data is updated regularly.
- The necessity for trade items to be assigned unique identifiers (Global Trade Item Number - GTIN) for each level of packaging, thus enabling unambiguous identification these items in e-messaging communications.
- For pharmaceutical items, batch and expiry data traceability is very important. Bar coding this information on shipper and inner trade items is the first step to ensuring that such traceability can be achieved.

CHALLENGES IDENTIFIED

- The project was a live demonstration. As a result some participants appended the new process to the end of their current business processes which, in some cases, resulted in a duplication of effort. This clearly highlighted the need to re-design business processes when implementing new technologies.
- In some cases, it was identified that a lack of staff understanding of the long term goals and benefits of the project challenged the ability of the project team to effectively implement new processes; hence the importance of staff training should not be under-estimated.

MONASH PROJECT MEMBERS



PHASE TWO: EXPANDING THE PROJECT

The second phase of the project is intended to build on the first, with a number of challenges and learnings being addressed.

The results of phase one were highly motivating, not only has the project been rolled out to include a significantly wider portion of Southern Health's supply chain, the project team has also decided to move forward using a self-funding model.

Continuing with the processes implemented in phase one, additional projects being undertaken in the second phase are:

- Marking all inner and shipper level units with a GS1 bar code containing a GTIN, batch number and expiry date.
- Exchanging master data using the National Product Catalogue (EANnet) to ensure all data is aligned between trading partner pairs.
- Implementation of e-messaging between different sets of trading partner pairs (when compared to the first project phase) and introduction of additional e-messages to be exchanged.

INDUSTRY SUPPORT

"eBusiness has the potential to revolutionise hospital supply chains, with benefits for all concerned. It is exciting to see the project expanding and involving more suppliers. The Victorian Government is proud to have supported phase 1 of this project via ECEPP funding."

David Latina
Executive Director
Office of Small Business
Department of Innovation, Industry and Regional Development

"The Monash Project leads the way in demonstrating the benefits which can be obtained from supply chain reform. Their work reinforces that of NEHTA's in developing the National Product Catalogue, which uses the same GS1 standards. NEHTA welcomes the opportunities created by The Monash Project to showcase the benefits of such reforms."

Ken Nobbs
Manager - Supply Chain
NEHTA

"We see this project as a useful opportunity to participate in an industry program that should result in operational efficiencies in our supply chain from manufacturer through wholesalers and ultimately into pharmacies."

Michael Kotsanis
President, Asia Pacific
Mayne Pharma

"I am convinced this project will demonstrate to wider industry that eCommerce has an important place, not just in improving efficiencies to supply chain but additionally it can be a significant catalyst for driving collaboration across many of today's business requirements."

Maree Coy
Managing Director
Baxter Healthcare Australia / New Zealand



PHASE THREE: A CALL TO ACTION

The project team is keen for companies interested in participating in Phase 3 of this project to register their interest and receive project progress reports. This can be done by contacting

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ALIGNING WITH OTHER HEALTHCARE INITIATIVES

The Monash Project Team is keen to align their efforts with other work being done in the healthcare sector. This includes the use of:

The National Product Catalogue (NPC)

An initiative of the National eHealth Transition Authority (NEHTA), the NPC's development and use is endorsed by all State, Territory and the Federal Health Departments. Intended to be the sole source for item master data for public health services, this catalogue will include master data for medicines, medical devices and other healthcare items.

IT-14-10 Health Supply Chain Messaging Standards

IT-14-10 is a Standards Australia run Health Supply Chain Informatics working group who have defined data sets, messaging rules and processing logic for e-messaging in the Health Sector. The project team has made sure that all e-messages implemented are in line with these standards.