

Delivery Reliability and Public Procurement: A Case Study on a Healthcare Provider

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Assuring delivery reliability is a vital part for any organisation in a supply chain, and in few cases could the consequences of a failed delivery be as dire as they would in the case of a healthcare provider. Below you will find a number of suggestions that aim to help public healthcare organisations secure a high level of delivery reliability.

Delivery reliability is not a well-studied subject within the context of public healthcare procurement. The aim of this thesis has been to identify the factors that affect delivery reliability with regards to the purchasing function and how these could be applied to the case organisation. The case organisation, Region Skåne, is responsible for delivering healthcare to the circa 1 000 000 people of the southernmost region of Sweden. To these people it is of great importance that all the resources that the healthcare system needs are in place.

The author has asked three questions at the start of this thesis. These cover what the available research says about delivery reliability and purchasing, how Region Skåne works with purchasing now and what they can do to improve delivery reliability. This is a multiple case-study where the author used five of Region Skåne's procurements as cases. These were then compared to each other and to the established theory from a literature review, resulting in a gap analysis. The following are the authors conclusions with regards to the questions asked at the start of the thesis.

- ❖ The author has identified five factors that affect delivery reliability These include the purchasing process itself, metrics, the nature of the relationship with the supplier, the way the buyer handles risk and the power balance between the buyer and the supplier. A sixth but distinctly more indirect factor is the prioritisation of resources.
- ❖ The author has identified several gaps between the theory and the purchasing operations of Region Skåne. The first is that the conditions that private companies face when purchasing are very different from those of a Swedish public healthcare provider. This limits a buyer's options. Region Skåne is also not as active in supplier and risk management as the theory would suggest. They also do not have a strategy for strengthening their negotiating position, use metrics sparingly and have issues with data handling.
- ❖ The author has found that delivery reliability is prioritised highly but that there several things that hinder the possibility of improving it. The most important suggestion is that Region Skåne makes data handling easier by organising relevant data in an easier to use format. IT-tools should be used to automate or simplify more operational tasks. Region Skåne should use these new capabilities to work more with contract management, information exchange with suppliers and risk management. Together with this Region Skåne should work more process oriented in general but also more specifically with supplier management, risk management and power balancing strategies.

With these suggestions the author thinks that Regions Skåne could assure more secure deliveries in the future. The hope is that other similar organisations can find lessons here as well. The author has also suggested some topics for future research.

- ❖ General research on delivery reliability from the purchasing perspective.
- ❖ Public procurement in the healthcare sector.
- ❖ Comparative studies between private and public purchasing organisations.
- ❖ The use of data and IT-systems in public healthcare providers.