

HCSA Annual Conference review

The 39th Health Care Supply Association Annual Conference and Exhibition provided much food for thought for all delegates.

'Think new, think different, think change' was the theme of the Health Care Supply Association's 39th Annual Conference and Exhibition, held at the Hilton Deansgate Manchester last November.

Opened by Association President Professor Christine Harland, the event featured high-calibre speakers from across the health care sector. The conference theme was evident throughout each speaker's presentation, giving delegates insight into new ways of thinking in areas such as commissioning, health care purchasing, and supply strategy and performance.

Professor John Seddon, Managing Director, Vanguard gave his perspective on 'systems thinking' in the public sector. An ardent critic of targets and central specifications as the means to public sector reform, he believes in innovation rather than compliance.

Professor Seddon is an occupational psychologist and management thinker credited with translating the Toyota Production System (TPS) for service organisations. The principles behind TPS may be counter-intuitive to the command-and-control mindset, but in service organisations change can be achieved much more quickly than in manufacturing, provided managers are prepared to change the way they think.

Professor Seddon criticised the specifications used throughout many procurement organisations. He said: "The specifications that we rain down upon the public sector are actually making performance worse. Within these specifications is a bad theory of management. We teach our managers that organisations should be designed as top-down functional hierarchies; we separate work into functions and we separate decision-making. We need to change our way of thinking about management. Instead of working top down, we should work outside in. Instead of designing working functional specialisms, we should learn to design against demand. It's a very simple idea."

Professor Seddon also highlighted that when the public sector works together with its suppliers, they can drive cost out of the whole system. He explained: "Better service is actually less resource. Better service is always cheaper when you learn to design against demand – and the key issues are demand, value and flow. Instead of separating decision-making at work we should integrate decision-making, so that staff can actually make decisions and control the work."

In response to Professor Seddon's systems thinking approach, Professor Harland informed delegates that this approach has been around since the 1920s, originating with a biological scientist.

She said: "When we say 'systems thinking', what system are we talking about? Systems exist at all levels all of the time; this has very much been the centre of our work with the NHS in procurement. We're trying to work out where's the best place in these different systems to make particular decisions, nationally, regionally or locally. Fundamentally, this means thinking less about simplistic solutions, and more about what the questions are that we ought to be asking."

David Astley, Chief Executive of St George's Hospital, London discussed his role at the hospital and his 35 years of working in the NHS. Mr Astley talked about the latest procurement issues and the London Procurement Programme, which he chairs. The programme is London's attempt to modernise procurement processes and to make sure the capital procures the right goods, to the right places at the right time to help care for patients.

Commenting on his organisation, Mr Astley said: "What I'm trying to do is move the organisation from being a very good organisation to being a truly great one. We all want to make our mark and I'm privileged to lead an organisation which has been around for hundreds of years, but doesn't always get the recognition it deserves. We're trying to move an organisation that faced huge financial challenges and ran up deficits in excess of £30 million around five or six years ago, into one that controls its destiny and manages what it does."

He added: "How do we do more for less? How do we change our leadership style and engage our organisation? How do we deliver better value to a more demanding clientele and increase quality at the same time as the money is running out?"

"If you look at the really great organisations in health care systems, hospitals and other organisations across the world, you find they have truly informed clinical leadership who take responsibility. The future for my organisation and all of us is how do we engage our clinical community in the journey that health services are on? We have some big challenges ahead and I am trying with the other Chief Executives to work with our clinical leaders to get them engaged to take responsibility and run the organisation effectively."

Peter Mount, Chair of Central Manchester University Hospitals NHS Foundation Trust, discussed how the health care sector can embrace change locally. In his current role Mr Mount has overseen the merger of two Trusts and the rebuild of the Children's Hospital as well as St Mary's Hospital, Manchester Royal Infirmary and the Royal Eye Hospital.

Mr Mount spoke about the current uncertain economic conditions and how after the next General Election he expects there will be less cash to spend.

He said: "Those who are running and chairing the big Primary Care Trusts are actively thinking about how they can manage the downturn by making better use of fewer people.

"There is going to be a great strain on NHS services across the country. Try as I might to find solid examples of demand management which really are win-wins, I have not found any. I think the answer has to be new ways of working across boundaries - across the PCTs, GPs, hospitals and social services - ways which have been trialled before to structurally merge organisations but for some reason have not been maintained."

Mr Mount also informed delegates that a change in public spending may mean clinicians and PCTs working more closely together. He added: "The budgetary pressures among Trusts presents a huge opportunity because you could find new alliances with clinicians which have been in many cases quite difficult to establish. The pressures from CEOs to clinicians to look at their budgets in a completely different way means they will look to the Trusts for more help because it will help protect the jobs of their staff."

John Parkes, Chief Executive of NHS Northamptonshire, discussed the development of the Commercial Support Unit in the East Midlands. Mr Parkes joined NHS Northamptonshire in October 2006 and, together with colleagues and partners, successfully reduced the PCT's inherited deficit from £45 million to zero.

Mr Parkes said: "I am also a member of the national Independent Reconfiguration Panel which provides advice to the Secretary of State for Health on disputed or controversial service reconfigurations within the NHS. I am absolutely of the mindset that despite being one of the biggest PCTs in the country, which came within the top ten in year one of World Class Commissioning, we cannot do it on our own, so the notion of collaboration is, I think, really important."

Gary Belfield, Acting Director General for Commissioning and System Management, Department of Health, discussed the use of commissioning for quality and productivity.

Mr Belfield touched on three areas: quality, the economic climate, and how the two can be combined. He said: "The challenge is how we can actually improve quality and increase productivity at the same.

"The worry for me is that we won't grab the economic downturn as an opportunity to transform and we will instead do the usual, which is to wait until there is a crisis. The challenge will be to work with your local health systems and admit that a real problem is coming; it will not go away post-election. Let's start talking now and collaborate locally to have a different health system that is ready for our population for the future. These are opportunities rather than threats - we have a real chance to make a difference here."

John Warrington, Deputy Director, Procurement Policy and Research at the Procurement Investment and Commercial Division, Department of Health spoke in great depth about innovation and procurement in the NHS.

Mr Warrington said: “For years, people could not see the clear relationship between innovation and procurement, but now innovation is being touted as the only way forward for the NHS. Possibilities are opening up all over the place. Innovation is a key policy area within the Department of Health. A lot of the work that has been going on in the last few years around innovation, particularly in the medical technology industry, has really been about stimulating the industry to innovate.

“It’s absolutely essential to the future of the NHS. We’re entering a period of huge challenge, and the NHS will need to make efficiency savings in the order of £15-20 billion in the period 2011-14 - at a time when we’re also pressing ahead with the Darzi Next Stage Review to bring higher-quality care to patients.”

Jonathan Wedgbury, Chief Executive, Healthcare Purchasing Consortium, provided a controversial topic on collaborative procurement and touched on some of his current concerns.

Mr Wedgbury said: “We haven’t as a group of professionals taken procurement to the right level.

“We still don’t have the right level of leadership. There is still a lack of commercial skills across the NHS because we still don’t attract the right people. Have we got the right skills to focus on cost and the real issues that we face as a profession?”

Regarding the Healthcare Purchasing Consortium, he added: “I think that the future has to be providing broad commercial solutions to our customers. We will also have to establish ourselves as a commercial partner for our customers and provide an integral part of their business.”

By the end of the event, ‘Think new, think different, think change’ had succeeded in covering a wide range of concepts and introducing fresh ideas concerning the latest issues and challenges facing the health care supply sector. Delegates certainly left with much to think about on the financial challenges ahead.

Further information

For the full conference speaker list, please visit: www.healthcaresupply.org.uk