



# Agenda and Goals for the Session

- Introduction of TransForm
- The Need to Innovate in the Health System
- Innovation Procurement – What is it? Why is it important?
- The Collaborative Innovation Procurement Office
- Innovation Procurement: Factors for Success
  - Team Diversity
  - Stakeholder Engagement
  - Procurement Planning
  - Creative Thinking

# TransForm Shared Service Organization

- TransForm is a unique, results driven shared service organization that was created following the amalgamation of two distinct organizations (PROcure Health and Consolidated Health Information Services)
- TransForm was founded by 5 member hospitals:
  - Windsor Regional Hospital (Metropolitan and Ouellette Campuses)
  - Hôtel-Dieu Grace Healthcare
  - Bluewater Health (Sarnia and Petrolia Campuses)
  - Erie Shores Healthcare
  - Chatham-Kent Health Alliance (Chatham and Wallaceburg Campuses)

# TransForm's Geographic Region



# TransForm Shared Service Organization

- Today, TransForm provides all supply chain services and IT/IM support to five member hospitals across eight sites in the Erie-St. Clair region, and we are the digital health delivery partner for the Erie St Clair region.
- TransForm is committed to providing exceptional customer service to its clients and improving value to Ontario's healthcare system.
- Our Vision: Lead innovation and change to achieve health system Transformation

# Supply Chain & Innovation Departmental Overview @ TransForm



# Supply Chain

- TransForm provides end to end Supply Chain services, including early market research, procurement, strategic sourcing, data analytics, logistics and accounts payable.
- Achieved over \$7M in supply in savings for its members in 2018/19
- Leveraging technology through GHX to improve data; enhance clinical engagement and shift towards value based decision making
- Four time Canadian Provider of the Year through GHX resulting from best in class pricing and part exceptions and contract match rates.
- Just in Time logistics partnership with Healthcare Material Management Services (HMMS)
- Affiliation agreements with SSOs
- Growth as an organizational strategic priority
- Recent partnership with ESC LHIN to provide community supply chain services

# Innovation

- Supportive function within the organization
- Executive Program for Health System Innovation launched in 2014
- Host of the Erie St Clair Digital Health Symposium in 2017
- Digital Health Delivery Partner for eHealth Ontario (2013-present)
- Formal partnership with post-secondary institutions (2015)
- Supporting local innovation initiatives broadly within the region
- Strategic focus areas include: collaborative partnerships, strategic competencies, innovation procurement/procurement of innovation and system change



# Supply Chain and Innovation: Key Differences

Supply Chain	Innovation
<ul style="list-style-type: none"><li>• Responsive to member needs internal to the region</li><li>• Risk averse</li><li>• Focus on contract management</li><li>• Value for money</li><li>• Mandated to follow Broader Public Sector Procurement Directives</li></ul>	<ul style="list-style-type: none"><li>• Responsive to external priorities and shifts in the system</li><li>• Risk-for-reward approach</li><li>• Focus on economic opportunity and impacts</li><li>• Responsible for achieving outcomes identified through funding initiatives</li></ul>

## Key Similarities:

- Motivated by improved patient care and an improved health system
- Working in the same health system environment
- Both recognize the “Innovation Imperative” within the health system

# The Innovation Imperative

- According to the Conference Board of Canada, Canada ranks the highest in spending per capita on health.<sup>1</sup>
- Leveraging innovation and innovation technology offers an opportunity to support productivity and quality improvement.
- In Ontario, healthcare spending today is approximately 60 Billion dollars annually, and is projected to be 73.3 Billion dollars annually, if the status quo continues.<sup>2</sup>

1. Conference Board of Canada. *Defining Health and Health Care Sustainability*. July 2014 Report.

2. Financial Accountability office of Ontario. “Ontario Health Sector: 2019 updated assessment of Ontario Health Spending”



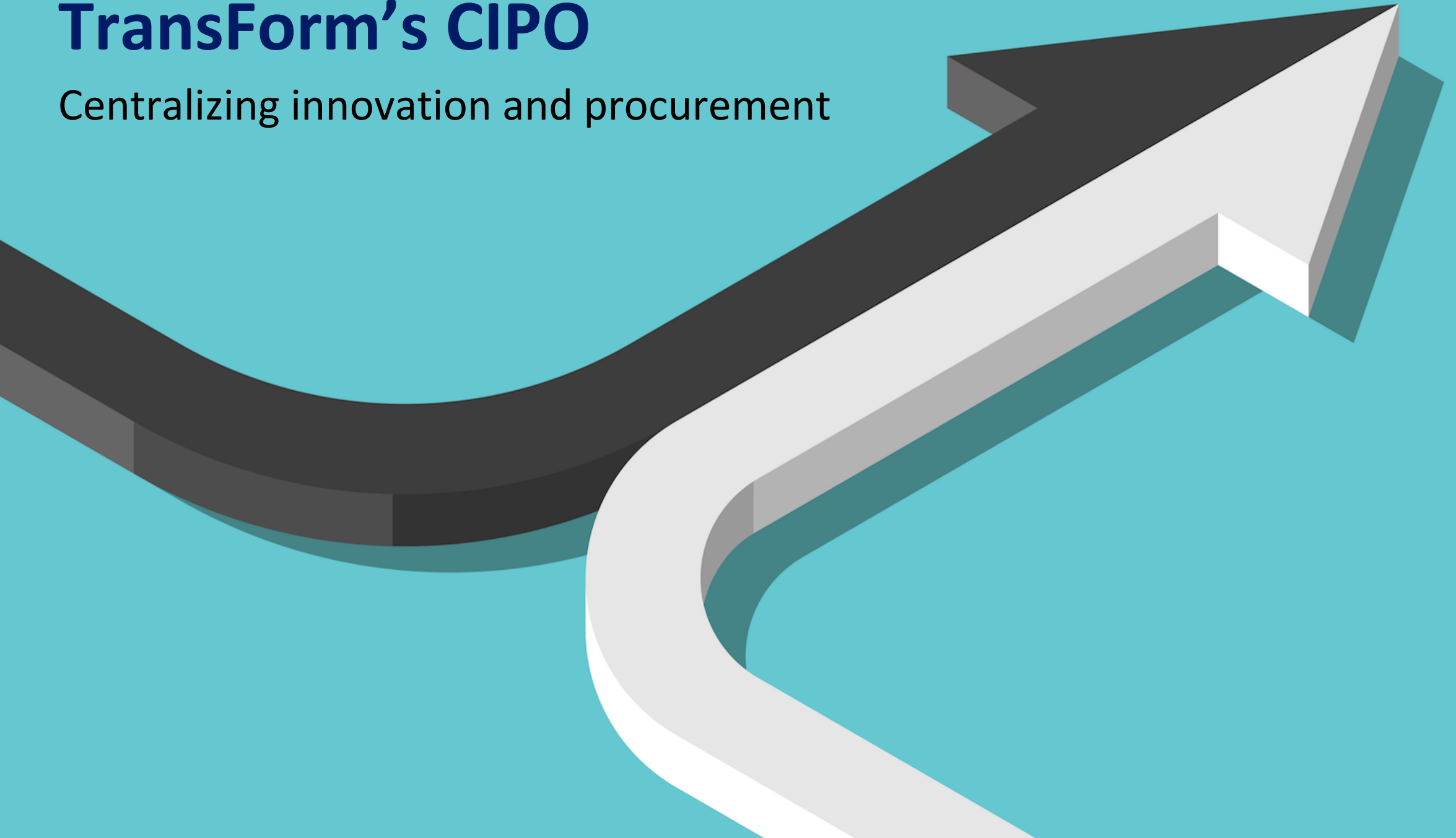
**Sometimes, there was tension...**

Hi Renee! We just left a meeting with “Hospital X” and “Company Y”. They have a new, technology platform – a first of its kind that they are going to pilot at Hospital X. Then we will scale it across the system for accelerated success!  
#Healthinnovation

That sounds interesting...  
So what’s the estimated value of the solution? Have you tested the market? Are you sure they are the only provider who does this? How will you procure it when the pilot is complete? Is this compliant with the Accountability Act and Trade Agreements?

# TransForm's CIPO

Centralizing innovation and procurement



# TransForm's CIPO

- The Collaborative Innovation Procurement Office was launched at TransForm to support Innovation Procurement in the Erie St. Clair region
- The CIPO partners with member hospitals to lead them through the entire innovation procurement progress: from identification of needs, to going to market, to assisting and supporting implementation planning to improve outcomes.

# Innovation Procurement is...

- Innovation procurement is the purchase of solutions that do not exist in the market, or need to be adapted or improved to meet specified needs and create value for users and/or the purchasing organization.
- Innovation Procurement is...
  - An alternative to traditional procurement practices within the broader public sector
  - An approach that uses Outcome Based Specifications (OBS), rather than prescriptive solution requirements to evaluate potential solution providers
  - A collaborative process with suppliers and buying organizations working together to co-design a solution that fits the exact needs of the organization.

# For Example...







# TransForm's CIPO

Success Factors

# TransForm's CIPO – Case Study Bluewater Health

- Bluewater Health is a hospital in Sarnia-Lambton
- Identified a need to enhanced their Real Time Location Services (RTLS) system, but were already frustrated with the number of vendors and systems integrating or being maintained in their organization
- Wanted to find a vendor or vendor consortium who could complete a first use case, and if successful, enter into a long term partnership with Bluewater Health, sharing risk and reward for future needs within the hospital
- Procurement Boundary: enhancing the RTLS system

# Staffing Backgrounds



# TransForm's CIPO – Staffing Backgrounds

- Diversity of Staff purposeful:
  - Strategic Sourcing Specialists (portfolio history of medicine and IT)
  - Change Advisor (Engineering Background/Process Improvement within the hospital system)
  - Project Coordinator (Business Marketing Background)
  - Management/Director Support of Innovation and Supply Chain
- Forces the team to ask “why?” and “why not?”
- Provides teaching opportunities
- Results in value-added services to the hospital (more on that soon!)





• Text

# Stakeholder Engagement

# TransForm's CIPO – Stakeholder Engagement

- Identify Stakeholders
- Identify stakeholder roles
  - Procurement Sponsor
  - Management team
  - Administrative team
  - Clinical team
  - Vendors
  - Legal team/Procurement team
- Have engagement strategies with each stakeholder

# Stakeholder Engagement: Internal

- Case Example – Bluewater Health Working Group Methodology
- Goal is to identify “Outcome Based Specifications”
  - Understand current state
  - Understand future state goal
  - Determine must have’s, wants, needs, and must not’s
  - Consolidate those into more generic outcomes
  - Shift focus to outcomes versus specifications
- Working groups were weekly, had agendas, team understood value
- Procurement language and jargon removed at working group, and team translated the decisions back into documents
- Meetings included core group, plus guests across departments as needed

# Stakeholder Engagement: External

- Engaging Webinar Market Sounding Sessions!
- Not your typical procurement webinar
  - Introduced the hospital to vendors
  - Shared Outcome Based Specifications,
  - Leveraged interactive polling
  - dynamic question and answer period
- Webinar and anonymized questions encouraged questions that were of value add to all participants





# Procurement Planning

# TransForm's CIPO – Procurement Planning

- Include non-traditional procurement elements into your procurement plan:
  - Stakeholder engagement
  - Buffers for edits and review of public documents
  - Legal review if new processes used
- Share the procurement plan with stakeholders to that everyone is aware

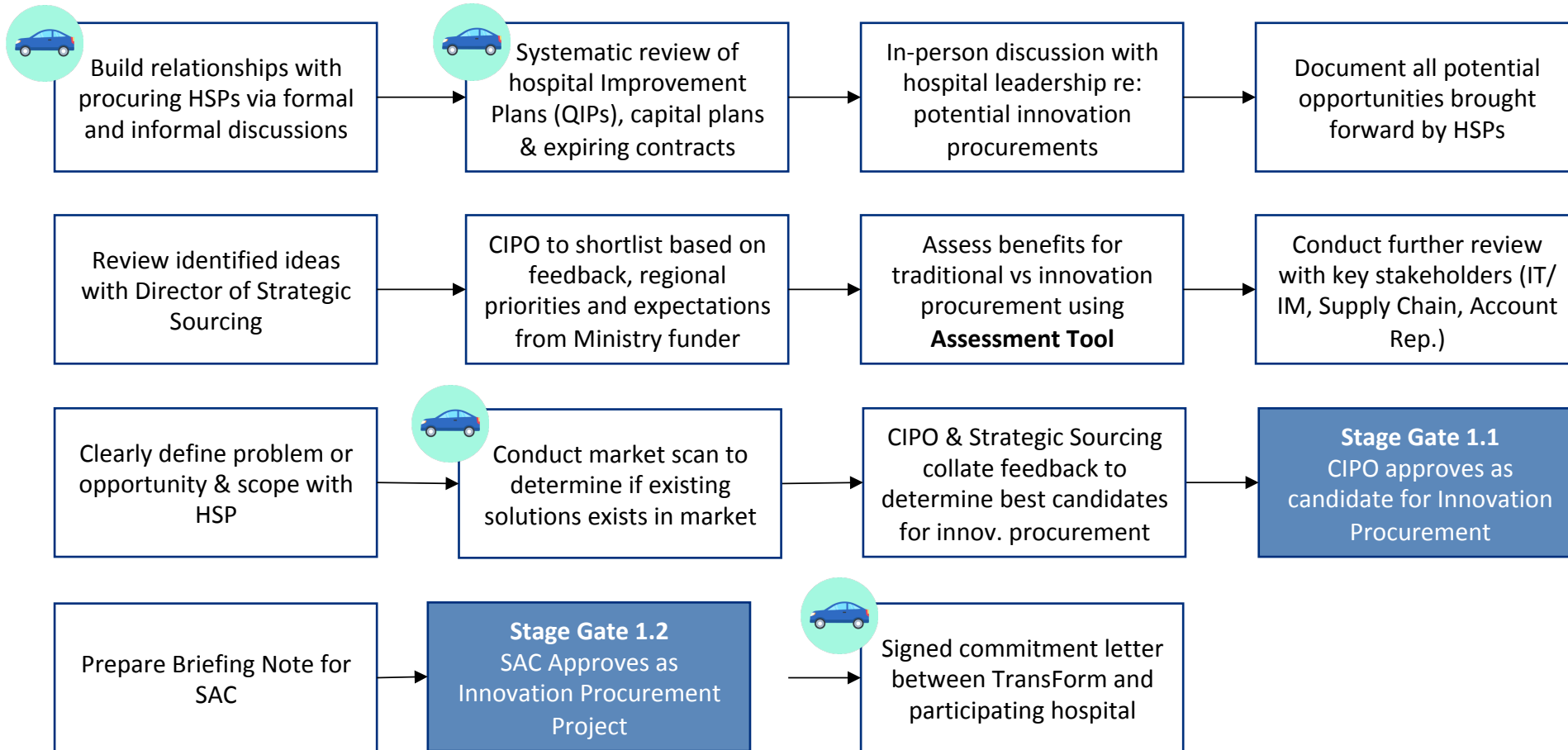
# Typical Project Plan – 1A



Learnings from  
“Up the 401”

Best practices we’ve heard and learned from various IP stakeholders across on Ontario (phone & site visits)

## (1A) Problem Definition







# Creative Thinking

# TransForm's CIPO – Creative Thinking

- Balancing creative thinking with procurement requirements is essential to helping vendors understand that you are wanting to see their most innovative solutions. Ask yourself, how far can you go while still being ‘fair, open, and transparent’?
  - Bluewater Health Example: Video submissions
- Creative Procurement processes lead to creative solutions:
  - Webinar stressed the need for vendors to partner in their delivery of a solution. Did this by asking anonymously, who can achieve all the outcome based specifications today? Very low response said yes.
  - As a result, multiple consortiums in our solutions

# TransForm CIPO Lessons Learned Summary

- Pull together a diverse team to conduct innovation procurement
- Ask “Why” and “Why Not?”
- Focus on outcomes and not specifications
- Take stakeholder engagement seriously
  - Engage early and often
  - Engage your external vendors
- Leverage the opportunity for process improvement



# Contact Us!

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