



**Hamish Macdonald** is a corporate account executive for Cook Medical. He works with procurement and supply chain teams in trusts across the southern half of the UK. In this edition of NHE he shares his thoughts on how knowing your supplier's capabilities can enhance the supplier-customer relationship and its outcomes.

# WHY YOU SHOULD GET TO KNOW YOUR SUPPLIER

Healthcare is a rapidly changing industry – new breakthroughs and developments happen nearly every day. But the relationships and structure of healthcare organisations can be slow to change. One of the biggest challenges facing suppliers and NHS procurement teams is knowledge of each other's capabilities.

Knowing your customer is obvious but essential. As good suppliers, we should know our customers' goals, objectives (on an individual and department level), as well as taking in 'big picture' factors that are affecting them. A shared understanding of issues and capability leads to mutual agreement on key objectives. Our challenge, as a supplier, is to be regarded as part of a wider solution to delivering efficiencies. We need trusts to share their objectives and challenges so that we can explore how to provide a full end-to-end service and identify where we can have the most beneficial impact on efficiency.

Conversations about price tend to prohibit this sharing of information. Pricing has been talked to death. Suppliers and customers both recognise that we have to

move past this discussion to deliver true value; although this doesn't mean price shouldn't play a part in a negotiation. Contracting should be delivered through an open three-way relationship between clinical teams, procurement and suppliers. It should begin with the desired clinical outcome for the patient. Those responsible for the clinical outcome should lead the discussion of defining the ideal product and service specification. This should set the minimum levels of expectation both from a clinical and efficiency perspective; but also give an indication on the specific amount of commitment a supplier could expect in return for delivering this.

Procurement are the enablers here and are best-placed to create a contract that fits the purpose and one to which clinical staff have already agreed. Suppliers should be an integral part of this process, and need to be open to being challenged on their own capability but also on how they would meet the identified needs.

Contracting remains a faceless paper-exercise to which both sides are guilty of not

knowing the other well enough to deliver the desired outcome. If customers could identify their essential requirements this could ensure that suppliers' offers are specifically tailored to deliver these. This way, customers would only pay for what they actually need and no more.

The relationship between suppliers and customers needs fundamental change if the NHS is to deliver on its savings objectives. Collectively, we need to think beyond price to value based arrangements, which will allow both sides to deliver the best patient outcome in the most efficient way.

## FOR MORE INFORMATION

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