

NSW Health Procurement Reform

SmartChain Project Snapshot

24 November 2023



Project Status Report: SmartChain

Page 1 Horizon 1, Enablers, BI&A, Traceability, P2P Discovery

#	Milestone	Baseline finish	Actual Date	Status	Commentary
Enablers:					
1	Data Cleansing activities	31/12/23		■	Concentrating on working with Master Catalogue Team to do data cleansing and testing activities.
Master Data Management					
2	Map existing contracts and catalogue (medical PnP contracts) to WofG taxonomy and UNSPSC	22/12/23		■	Extracted ICT contracts and migrated to SnC Extracted HSNW SPS contracts in preparation for migration to SnC
3	Map General Ledger Codes to WofG taxonomy and UNSPSC	22/12/23		■	Draft mapping complete Seeking stakeholder review
4	Develop master data mapping file for procurement and finance data to UNSPSC	28/02/24		■	To commence once all data has been mapped
5	Recategorize 60% of Health spend in Treasury's Spend Cube (excl medical categories)	22/12/23		■	Target reached for priority categories and on track to reach 60% when remaining taxonomy categories are released
#	Milestone	Baseline finish	Actual Date	Status	Commentary
Traceability:					
6	Pilot complete MVP 1.1 & 1.2	Dec-23*		■	Pilot evaluation criteria documentation in progress. PBRC integration testing completed, go-live and parallel testing in NBM scheduled for early-Dec to run for 2 to 4 weeks
7	Build, System Integration Testing (end to end) and UAT complete for MVP 1.2 functionality	Nov '23	14/11/23	■	All MVP 1.2 functionality has been built, tested and in production PBRC integration UAT completed 14-Nov
8	Begin statewide rollout	Q4 2023*	31/10/23	■	Commenced statewide rollout with Cooma Theatre 31/10
9	MLHD Implementation	Dec 23*		■	Rollout at MLHD commenced 06/11. Wagga live 06/11 Griffith go-live scheduled 05/12
10	SNSWLHD Implementation	Dec 23*		■	Rollout at SNSW commenced 31/10 Cooma live 31/10 Queanbeyan live 14/11 Moruya live 20/11 Batemans Bay live 21/11 Bega and Goulburn TBC
11	HNELHD Implementation	TBC		■	Kurri Kurri go-live scheduled Jan-24 Planning in progress for remainder of LHD implementation

Overall Status



Project Sponsor	Carmen Rechbauer & Zoran Bolevich
Executive Lead	Alex Araujo & Kieron McGarry
Business Lead	Sharen Ozcan & Shehryar Khan
Project Lead	Sarah Swarbrick & David Green

Metrics	Last report		This report	
Time	■		■	
Scope	■		■	
Resourcing	■ HS	■ eH	■ HS	■ eH

#	Milestone	Baseline finish	Actual Date	Status	Commentary
BI&A:					
Supply Chain Operations (SCO)					
12	Design & Build	Oct 23*		■	
13	UAT	Nov 23*		■	
14	Go-Live & Implementation	Nov 23*	7/11/23	■	5 of 6 solutions delivered PO Expenditure Watch report enhancements live 07-11 Requisition Data report live Location Report Enhancements live. Inventory Transaction Charge Account Reconciliation Report live R12 Catalogue Pricing Dashboard live
15	Freight Charge Reporting & Analytics Dashboard	TBC		■	New milestone for progress updates of final BI&A SCO solution. Currently in the requirements gathering phase. Implementation timeline TBC.

P2P discovery:					
16	P2P Linen Business Case	Oct '23		■	Development in progress, cost benefit analysis underway. Draft to be circulated asap.
17	P2P Pharmaceuticals Discovery	Dec '23		■	Presentation to DoP successfully made; Design feedback session scheduled with eH Clinical applications team; On track for high level solution design to be approved by end of Dec 23
18	P2P Food	On hold		■	On hold -managing dependency with Food business leads.

* Reporting has been moved from specific dates to months to reflect the agile practices being followed for system development

Project Status Report: SmartChain

Page 2: Sourcing & Contracts & Dataflow

#	Milestone	Baseline finish*	Actual Date	Status	Commentary
Sourcing & Contracts:					
MVP 1.1					
19	System build for Minimum Viable Product MVP 1.1	Sep 23	18/10/23		
20	System Integration Testing (end to end) MVP 1:1	Oct '23	18/10/23		
21	MVP 1.1 UAT	Nov 23			Completed testing and testers signed off To be signed off by 30/11
22	MVP 1.1 Go-Live (ICT Pilot)	Dec '23			Training scheduled to begin w/c 4/12 Go-Live pilot estimated 11/12
23	MVP 1.1 (ICT Pilot) complete	Mar '24			
MVP 1.2					
24	MVP 1.2 System Build Complete	Apr '24			
24	MVP 1.2 UAT complete	May '24			
25	Change & Training Preparation/Implementation for Phase 1	July '24			
26	MVP 1.2 Go-Live Phase 1 Statewide non-ICT categories - HS SPS & HS IPU	Aug '24			
27	MVP 1.2 Phase 1 complete (Statewide non-ICT Categories) – HS SPS & HS IPU	Nov '24			
28	LHD Roll Out – including Local Categories	TBC			

NSW Health

* Reporting has been moved from specific dates to months to reflect the agile practices being followed for system development

Overall Status



Project Sponsor	Carmen Rechbauer & Zoran Bolevich
Executive Lead	Alex Araujo & Kieron McGarry
Business Lead	Sharen Ozcan & Shehryar Khan
Project Lead	Sean Lomas & David Green

Metrics	Last report		This report	
Time				
Scope				
Resourcing	HS	eH	HS	eH

#	Milestone	Baseline finish	Actual Date	Status	Commentary
Dataflow:					
MVP 1.1					
29	System build for Minimum Viable Product (MVP 1.1)	Jul '23	31/08/23		
30	System Integration Testing (end to end)	Sep '23	25/09/23		
31	UAT MVP 1.1 (Technical)	Oct '23	18/10/23		
32	Technical Go Live MVP 1.1	Nov 23			Cutover of approved releases to production in progress, on track to be completed by 04 Dec.
33	UAT MVP 1.1 (Business)	Feb '24			
34	Pilot commence	Apr '24			
35	Begin rollout	May '24			
MVP 1.2					
36	System build for Minimum Viable Product (MVP1.2)	June '24			Rescheduled Dataflow MVP 1.2 for best sequencing with Master Catalogue, and Sourcing and Contracts MVP 1.2
37	System Integration Testing (end to end)	July '24			
38	UAT	Aug '24			
39	Pilot Complete	Sep '24			
40	Begin rollout	TBC			

Project Status Report: SmartChain

Key Accomplishments for the period

Program

- Continued key communication and stakeholder engagement, including;
 - Held 4 statewide reform engagement sessions, had 594 attendees (excluding organisers and presenters), average rating of 4.15 stars out of 5.
 - Presented to CPNAG 23.11.23
 - Developed communication support materials for Traceability go-lives, S&C and dataflow
- Onboarded and supported 3 LHD Change Implementation Leads

Master Data Management Strategy

- Draft mapping of Procurement taxonomy to Purchasing Categories complete
- Draft Position Description for Procurement Master Data Officer created – in preparation to transition data cleansing to MDM BAU
- Updated Professional Services Account Codes in approval process

Traceability

- Delivered Traceability training to 8 facilities across 2 LHDS (SNSW & MURR)
- Provided Go lives Support for 5 facilities across 2 LHDS (SNSW & MURR)
- Traceability implemented at Cooma 31/10, Queenbeyan 14/11, Moruya 20/11 and Batemans Bay 21/11 (SNSWLHD)
- Traceability implemented at Wagga Wagga 06/11 (MLHD)
- PBRC integrated UAT has been completed and passed 14/11

Sourcing & Contracts

- UAT completed and regression testing underway
- December Pilot preparation well underway
- Demo of the system to the state records team

Dataflow - MVP 1.1

- Technical UAT MVP 1.1 completion and sign off
- Data migration build commenced MVP 1.1 business go live
- Product catalogue process review completed for MVP 1.1 and MVP 1.2

Business Intelligence & Analytics (BI&A)

- PO Expenditure Watch Report enhancements went live 07/11

Data Cleansing

- Prepared and completed all work for scripts for Master Catalogue to be run.
- Completed 1st round of testing for all Master Catalogue scripts

P2P Linen

- Business case completing cost benefit analysis

P2P Pharmacy

- Design feedback session scheduled with eH Clinical applications team;
- Presentation to DoP, Directors of Pharmacy 30.10.23 & follow up questions 30.11.23
- Presented Design feedback session eH clinical applications team 29.11.23

Overall Status



Project Sponsor	Carmen Rechbauer & Zoran Bolevich
Executive Lead	Alex Araujo & Kieron McGarry
Business Lead	Sharen Ozcan & Shehryar Khan
Project Lead	Sean Lomas & David Green

Planned Activities and Key Focus Areas for next period

Program

- Key Communication, Program Management, Change management, Training and stakeholder engagement, including;
 - 2024 planning
 - December Newsletter
 - Statewide engagement sessions: CNG (14.12), CoP (12.12), Procurement Reform Town Hall (12.12)

Master Data Management Strategy

- Assisting Cataloguing team with development of updated PnPs for medical consumables, prosthesis, pathology, pharmaceuticals, medical equipment consumables
- Commence discussions to develop principles governing the assignation of account code to catalogue items
- Continue data re-categorisation in Spend Cube, currently at 31% of all spend (71% excl medical)

Traceability

- Traceability to be implemented at MLHD Griffith hospital 5/12
- PBRC integration to be deployed to Production in NBM early-Dec
- Pilot closure to continue and report to be compiled
- 2024 Traceability planning sessions to be held, grounded in lessons learned from 3 LHD adopting sites.

Sourcing and Contracts

- Training delivery to eH ICT Procurement users for Sourcing and Contracts from 4.12.23
- Go live support for eH ICT Procurement users for Sourcing and Contracts
- Pilot “go-live” scheduled mid-December

Dataflow

- Technical cutover to production of MVP 1.1
- Continuous build to cater for Master Catalogue go-live.
- Regression testing of Master Catalogue changes to continue.
- Demonstrations and pilot engagements continues
- Worker task fulfillment business processes finalisation
- Initiate conversations regarding possible automation to update sub-inventory

BI&A

- Freight Charge Dashboard requirements session to be scheduled

Data Cleansing

- Final testing for Master Catalogue scripts
- SIT testing of data migration for Master Catalogue

P2P Linen

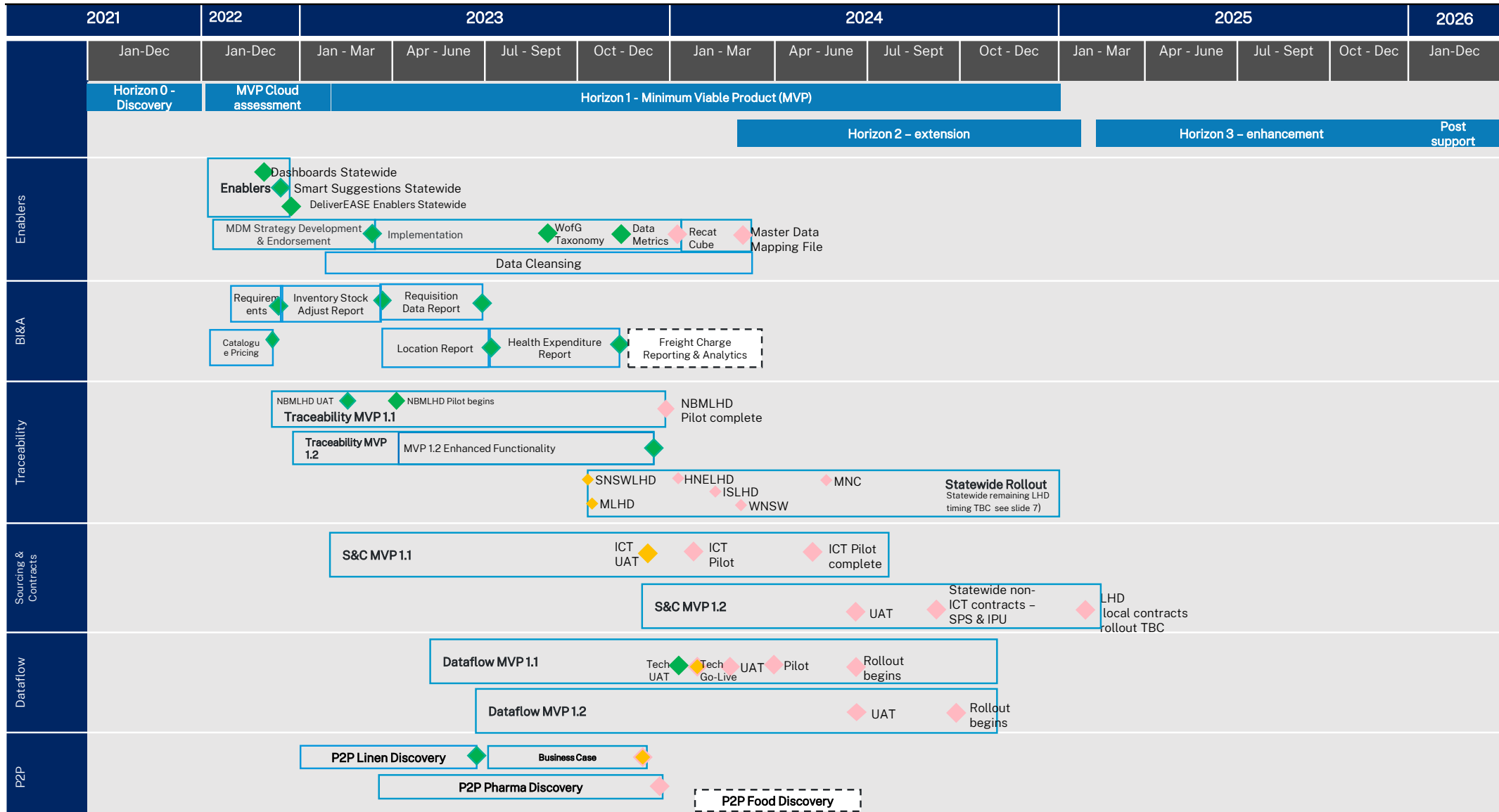
- Finalisation of Executive Summary business case and review with senior leaders

P2P Pharmacy

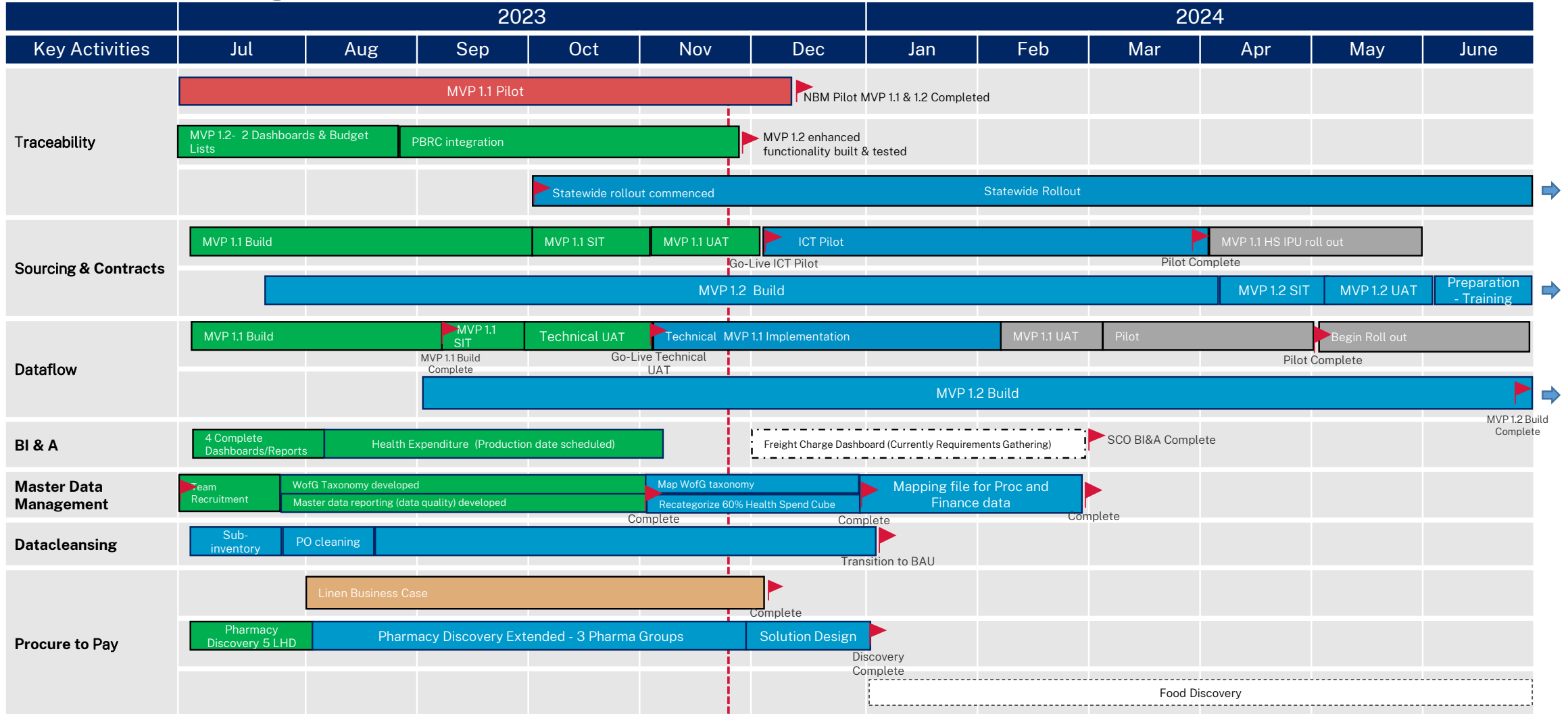
- eHealth working on the high level design solution to be ready for end of Dec

SmartChain high level timeline

The SmartChain solution will be implemented in three horizons, the first delivering a Minimum Viable Product to address critical business needs.



SmartChain High Level Timeline – 12-month



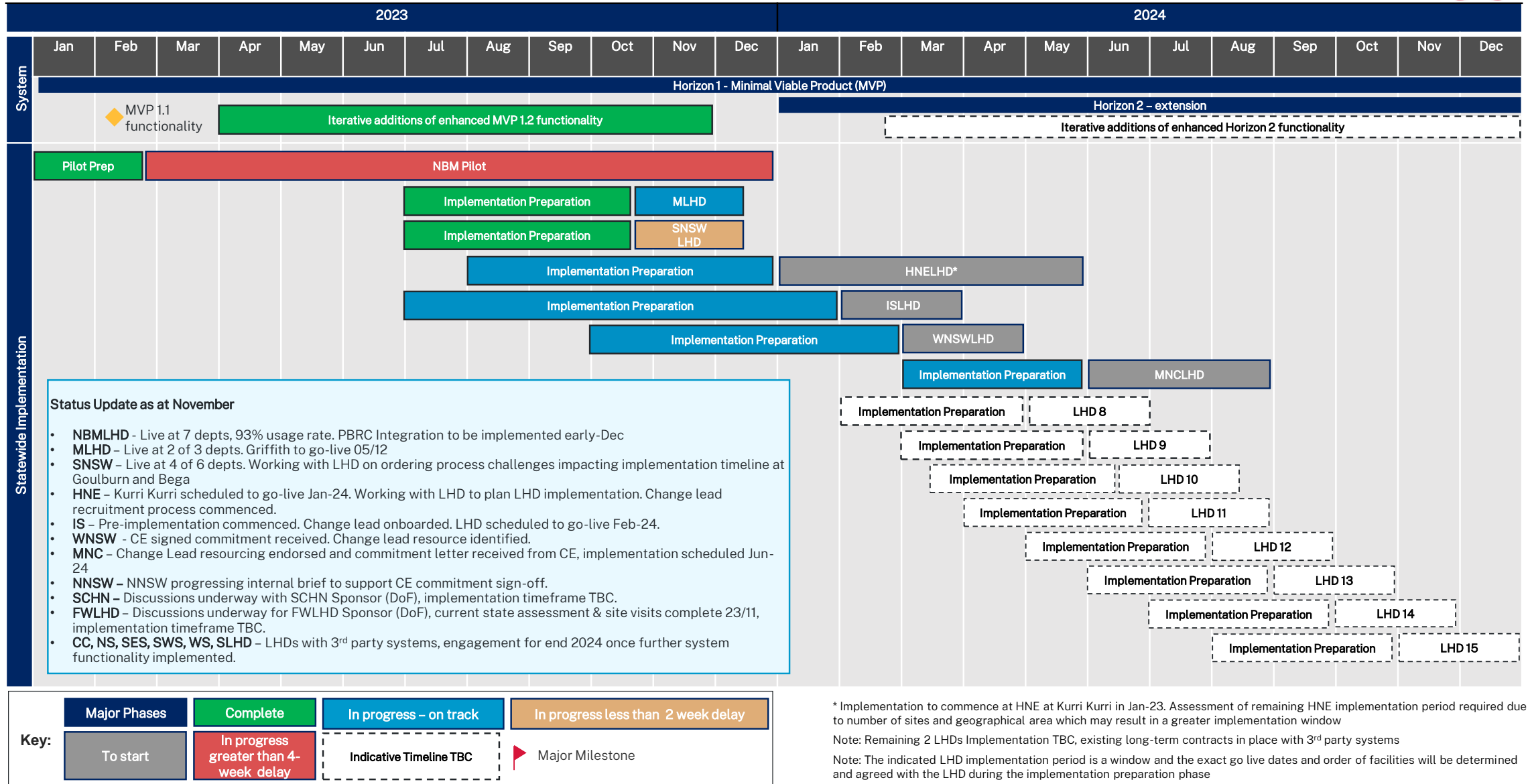
.We are here



Traceability high-level roll out plan

COMMERCIAL IN CONFIDENCE – NOT FOR DISTRIBUTION

SmartChain is partnering with LHDs to tailor implementation that best achieves program outcomes and benefits, with a focus on sustainability and best use of available resources.





Risks, Issues & Dependencies

Risk # PPM	Work Stream	Risk Description	Inherent Risk Rating	Mitigation Plan	Mitigated Risk Rating	Risk Owner	Status
RSK0008510	SmartChain	LHDs do not commit to go-live dates for Traceability rollout resulting in a delay/ failure to deliver benefits within expected realisation timeline.	Medium	Status as at end November 2023: 7 LHDs committed (NBM, SNSW, MUR, HNE, IS, WNSW, MNC) CE sign off on implementation received for 2023 & early 2024. Engagement underway for mid-end 2024 implementation with remaining LHDs. 1) Ongoing engagement with LHD sponsors nominated. 2) Escalation pathways developed for when commitment to go live dates cannot be obtained.	Low	Sarah Swarbrick	Open – Actively managing
RSK0010517	SmartChain	There are challenges with recruitment at both the program and LHD levels due to the global talent shortages. This is impacting the change and training resourcing with a potential to delay the pre-implementation and implementation activities.	Medium	Status as at end November 2023: 75% of positions in program team filled. 80% of LHD positions currently required filled. Recruitment for remaining positions underway. 1) Multiple recruitment strategies are in place to source talent within the program team to provide additional short term support for LHD implementation. 2) Leveraging existing resourcing where possible across Procurement Transformation projects to provide short term support whilst longer term recruitment is underway.	Low	Tamana Rased-Cortez & Sarah Swarbrick	Open – Actively managing
RSK0011949	SmartChain	eApprovals being adopted across NSW Health as a primary method for managing the approval chain on all NSW Health decisions that are instigated through the briefing process. There is a potential impact on the SnC build.	Medium	Status as at end November 2023. Escalated to Sponsors and eApprovals Lead recommending the Sourcing & Contracts Solution approvals workflow is adopted for all procurement documents (including procurement strategy, award letters etc.)	Low	Bharat Iyengar, Sean Lomas & David Green	Open – Actively Managing



Risks, Issues & Dependencies

Issue # PPM	Work Stream	Issue Description	Issue Rating	Issue Action Plan	Issue Owner	Issue Status
Nil						

Successor				Predecessor (Dependency Type – Finish-to-start)		
Program	Project	External Dependency Milestone Name	External Dependency Milestone Date	External/Internal Program	Required External Deliverable Name	External Dependency Status
SmartChain	SmartChain Procure to Pay (P2P) Discovery Food	P2P Food Discovery	<ul style="list-style-type: none"> TBC 	Nutrition & Dietetics model review.	<ul style="list-style-type: none"> Review of Nutrition & Dietetics 	<ul style="list-style-type: none"> Discovery on hold, timeline TBC. Working with Food team to manage dependencies between P2P Food & 3rd party system go to market strategy. SmartChain team are regularly connecting with HS Food leads to plan for P2P Food



Early NBMLHD Benefit Metrics

The following data captures **early benefits** realised across a total of 7 departments including Operating Theatres, Cath labs and Medical Imaging departments at Nepean, Blue Mountains and Lithgow Hospitals between February and October 2023. Other improvement initiatives targeting free text reduction across the LHD will also contribute to these benefits including operating model program, DeliverEASE & local improvement initiatives.

Traceability Adoption

93% of in-scope orders were raised in the Traceability solution as of October 2023.

This is up 50% from when the solution was implemented in March 2023.

Effective change management has been key in increasing usage of traceability system.

Achieved through collaboration with the LHD change lead and SmartChain team.

Patient Info Shared

94% reduction in monthly total of all REQs raised containing identifiable patient information since March 2023.

Orders raised in Traceability are catalogue compliant, and do not contain identifiable information visible to suppliers.

Reducing identifiable patient information shared with suppliers helps LHDs meet **privacy policy compliance**.

Orders raised via catalogue

41% reduction in percentage of requisitions raised free text without a HIMF since pre-pilot in February 2023.

Orders that are raised through Traceability are primarily catalogued with a HIMF (excluding custom & urgent orders).

This **improved buying behaviour** delivers benefits of greater data quality, visibility of spend & catalogue compliance. Cleaner data at the order stage also delivers downstream benefits to invoicing processing.

No Touch PO Processing

24% increase in “No Touch” PO processing of orders via AutoBatching since March 2023.

All orders raised in traceability will AutoBatch.

Autobatching allows for the system to generate POs from approved requisitions without manual processing. This reduces the time for POs to be sent to suppliers and **reduces transactional cost to serve charges by 20%**.