A photograph of a smiling female nurse in blue scrubs with a stethoscope, standing in a hospital room. In the background, a male patient is lying in a hospital bed.

NHS saves \$millions with Medius Spend Management



Case study



One of the UK's most successful Trusts saves \$millions with Medius Spend Management while gaining benchmark opportunities and improving visibility and financial efficiencies.

County Durham and Darlington Foundation Trust (CDDFT) transformed their procurement processes with the implementation of Medius Spend Management.

The previous situation at a glance

CDDFT previously used a healthcare focused eRequisitioning / Order eProcurement system but this was reaching end of life and would not keep the Trust at the leading edge of purchasing developments needed to achieve maximum efficiency.

- 6,000 users
- 15,000 suppliers
- 600,000 product lines
- Users could request anything they chose
- Sourcing compliance checked manually
- Manual contract management
- Catalogs updated manually
- Multiple ways to purchase



The key goals

- Achievement of procurement excellence, fully integrated with the Trust's Oracle ERP system to ensure smooth financial processes
- A single portal for all purchasing across the Trust that is accepted and adopted by all users
- An easy to use system for purchasing that mirrors online shopping and saves time for staff
- The release of working capital, critical to the public sector, by reducing capital tied up in stocks and supplies
- Compliance in clinical pathways and front line services by integrating back office purchasing, processes and contracts with clinical requirements
- Ability to monitor and prevent maverick spend
- Visibility of costs at a patient level



Bringing procurement excellence to the NHS

CDDFT serves a population of around 600,000 people with an operating budget of \$650 million. They went to market to find a software platform that provided commercial excellence, bringing the best features and benefits of strategic private sector buying to the NHS. Medius was selected to provide a fully integrated and on-demand spend management solution.

As part of a procurement transformation strategy Medius Spend Management was implemented in a staged rollout. CDDFT initially implemented Medius Procurement and then deployed Sourcing, followed by Contract Management.

CDDFT has an operating budget of **\$650 million**

Supporting thousands of buyers

From day one, Medius integrated with the existing Oracle financial system. External sources like NHS Supply Chain and GHX feed in catalog information and users can also punch out to Medius Sourcing. This has created a standard sourcing process and ensured compliance to Standing Financial Instructions and, where appropriate, Official Journal (OJEU).

The Medius system, branded and known internally as Cardea (the Roman Goddess of Health) is now relied upon by thousands of staff who can raise orders with a simple web based log-in as easily as shopping online.



Medius supports County Durham and Darlington Foundation Trust's vision and strategic aims to achieve procurement excellence.

Associate Director of Procurement

From day one, **Medius integrated** with the existing Oracle financial system



Bill the Pill forms part of the Trust's unique branding of Medius, helping achieve 100% user adoption rates

The result

The procurement department now handles 15,000 purchasing and supply related documents per week including purchase orders, receipts and invoices. Since the majority of these are processed electronically, the procurement team can focus on strategy and more advanced category and contract management, with the help of Medius Sourcing.

Integrated back office processes remove the need for paperwork and costly manual processes and additional benefits include the provision of a consistent framework for end users. The Procurement team is able to map out clear procedure templates aligned to procurement processes, including, under EU threshold processes and EU Open and Restricted processes.



With the tools available within Medius the CDDFT has turned a reactive procurement service into a forward thinking proactive service, achieving significant financial benefits for its Trust's members.

Associate Director of Procurement

People powered procurement

With a user base spanning from stores, to wards, to kitchens, empowering all potential purchasers was critical. CDDFT recognized that they needed a people focused, intuitive system.

Similar to an online retail site, Medius uses buying history (saved as favorites or templates) to simplify the process.

Ensuring efficient purchasing also required that people across CDDFT use the carefully negotiated contracts that have been put in place. The usability of Medius ensures that all departments across the Trust buy on-contract, significantly reducing maverick spend.



We produce in the region of 20,000 meals, 24 hours a day, seven days per week, so we need a lot of supplies. Cardea makes it easy to place an order at any time of the day usually with next day delivery. It's also incredibly easy to use - just like online shopping at home.

Head of Catering Services

Once only

CDDFT have created a 'once only' approach to purchasing, eliminating duplication of effort, reducing spending across the Trust and removing inefficiency. Using Medius has proven critical to the Trust's success, because it delivers the depth of purchasing control and full end-to-end

functionality rarely seen in more generic finance systems.

The ease of use of Medius ensures that CDDFT's thousands of employees, from catering managers to matrons, can buy stock or services quickly and then get back to their day jobs.



Clinical compliance

Using an eProcurement system has also brought significant benefits in patient care and governance. As the Chief Executive of CDDFT comments:

“Compliance is becoming more and more important to NHS organizations as the clinical safety and quality aspects of care meld with the requirement to deliver efficient and effective services.

As the Trust moves into defining and delivering its clinical pathways with more precision, including the careful selection of products by clinicians, Medius’ powerful cataloging enables new levels of control in ensuring that patients receive the right products to enhance and deliver the planned care.”



Cardea allows me to spend more time with patients and improve patient care. The online ordering is quicker and more efficient than the old paper system.

Ward Manager


Spend visibility

Medius are helping CDDFT address its patient safety agenda bringing real advantage to the front line. CDDFT use Medius to identify and manage the cost of delivering care to individual patients. Reports highlight which departments have made purchases, identifying purchasers and other associated medical costs such as cost of surgeons and nurses. This helps CCDFT achieve its ultimate goal of true and total visibility of cost per patient.



Having all of the right supplier, product and pricing information and visibility of spend is critical for procurement to be able to give the care groups the correct advice. This is where our investment in the full Medius platform comes in.

Associate Director of Financial Services



Ordering through Cardea has become second nature, with **over 2 million orders placed on the system** to date.

Current situation at a glance

- 6,000 users
- Reduced supply base by 50% from 15,000 to 7,500
- Reduced product lines by over 50% from over 600,000 to 280,000 creating consistency within the organization
- Limited choice of non-clinical and non-critical items
- 15,000 purchasing and supply related documents processed per week
- "Once-only" approach
- Purchases made by every department
- Procurement template libraries ensure sourcing compliance
- Contracts managed online and integrated with Medius Sourcing



An easy to use and accessible platform that integrates simply with our Oracle Financials accounting software and supplier processes has proved a sound decision.

Associate Director of Procurement

Return on investment

Thanks to Medius, CDDFT has achieved significant savings and improvements.:

- The Trust has made savings of \$1.5M per annum since implementation and with its strategic sourcing plan this figure will only grow.
- What is equally important is the role that Cardea is playing in compliance and visibility.
- All products purchased meet clinical governance assurances and comply with clinical safety standards, reducing risk for patients, the Trust and its staff.
- Working capital is released by the reduction of stocks and faster turnaround of orders which has been fed into the delivery of front line services.
- Cardea supports County Durham and Darlington Foundation Trust to achieve their financial and patient care goals.



We're currently able to match 85% of all invoices to orders, which by any industry's standard is exceptional. With the right approach - and critically with procurement and finance working together - that level of success is eminently possible.

Associate Director of Financial Services

About **Medius**

Medius AP management software replaces the work and worry of invoices with AI and automation. Medius goes far beyond basic automation by using artificial intelligence to do the work - so invoices get coded, approved and paid, and your business can trust your budgets and forecasts without the fear of potential fraud. And you won't have to worry about implementation and ongoing administration costs, because you'll start seeing the value immediately and the innovation won't stop. To learn more, visit medius.com.



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