Innovative Partnerships – A Case Study
Examining the Intersection of Innovation and Supply Chain

Renée McIntyre, Director, Supply Chain, TransForm
Melissa Sharpe-Harrigan, Manager, Innovation & Change Management, TransForm
Goals for the Session

• Understand how various innovation procurement pathways are implemented and approached within an Ontario Shared Service Organization

• Understand how traditional supply chain interacts with innovation initiatives through a review of TransForm’s experiences

• Identify enabling factors to support organizations in establishing strategic partnerships to achieve organizational goals around innovation procurement.
TransForm Shared Service Organization

• Established in 2013, after the amalgamation of PROcure Healthcare and Consolidated Health Information Services
• Founded by five hospitals in the Erie St Clair Region
• Service Offerings Include:
  • Supply Chain
  • IT/IM
  • Project Management
  • Digital Health as a Delivery Partner to various initiatives (i.e. cSWO).
## Innovation and Supply Chain at TransForm

### Departmental Histories

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Leveraging technology through GHX to improve data; enhance clinical engagement and shift towards value based decision making</td>
<td>• Three initial focus areas: Educate, Collaborate, Accelerate</td>
</tr>
<tr>
<td>• Just in Time logistics partnership with Healthcare Material Management Services (HMMS)</td>
<td>• Executive Program for Health System Innovation, funded by the LHIN (2014) and alumni program</td>
</tr>
<tr>
<td>• Affiliation agreements with SSOs</td>
<td>• Formal partnership with post-secondary institutions in our region (2015)</td>
</tr>
<tr>
<td>• Growth as an organizational strategic priority</td>
<td>• Feasibility Study (2016) to create a local cluster around health system innovation</td>
</tr>
<tr>
<td>• Recent partnership with ESC LHIN to provide community supply chain services</td>
<td>• Supporting local innovation initiatives</td>
</tr>
</tbody>
</table>
Supply Chain and Innovation: Key Differences

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Responsive to member needs internal to the region</td>
<td>• Responsive to external priorities and shifts in the system</td>
</tr>
<tr>
<td>• Risk averse</td>
<td>• Risk-for-reward approach</td>
</tr>
<tr>
<td>• Focus on contract management</td>
<td>• Focus on economic opportunity and impacts</td>
</tr>
<tr>
<td>• Value for money</td>
<td>• Responsible for achieving outcomes identified through funding initiatives</td>
</tr>
<tr>
<td>• Mandated to follow BPS Procurement Directives</td>
<td></td>
</tr>
</tbody>
</table>

Similarities:
• Motivated by improved patient care and an improved health system
• Working in the same health system environment
• Both areas supportive of innovation
Before Innovation Procurement...

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?

Umm...
BPS Primer on Innovation Procurement

• Developed by the Ministry of Government and Consumer Services to support BPS organizations in Ontario in planning and implementing innovation procurement to encourage innovation in Ontario’s BPS within the existing procurement policy context.

• Innovation procurement is defined as 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 the procuring organization.

• Primer includes Market Strategies and Innovation Procurement Methodologies

Source: BPS Primer on Innovation Procurement, Interim, MGCS
Innovation Procurement Methodologies
A marriage of Innovation and Strategic Sourcing Principles

• R&D Procurement
• Innovation Partnership
• Design Contest
• Competitive Dialogue
• Competitive Procedure with Negotiation
• Innovation Friendly Competition Process

Source: BPS Primer on Innovation Procurement, Interim, MGCS
Leveraging **Innovation** Procurement to create a new partnership

• TransForm identified how **innovation** presents itself to our member hospitals or Health Service Provider’s (HSPs):
  • **Vendor** approaches an HSP independently
  • HSP has an innovative need, but doesn’t see a **solution** on the market
  • Hospital has a **challenge** without knowledge of a **solution** or what could be an optimal solution (sometimes try to fit a square peg into a round hole)

• Desire to shift the direction of innovation to be “Health System Led”
  • Being open to new ideas, but leading and directing areas of focus

• Additional challenge of “Innovation Pilots” that are difficult to scale

• Limited opportunity to dedicate resources to new methodologies

Source: BPS Primer on Innovation Procurement, Interim, MGCS
Leveraging Innovation Procurement to create a new partnership

Two initiatives are currently taking place at TransForm, to help us address the issues identified, and formalize the partnership between Innovation and Supply Chain:

• REACH (Resources for Evaluating, Adopting and Capitalizing on Innovative Healthcare Technology) Program

• TransForm’s Collaborative Innovation Procurement Office (CIPO)

Source: BPS Primer on Innovation Procurement, Interim, MGCS
Innovation and Supply Chain at TransForm: REACH Program

• Tracking and Traceability source of frustration for both TransForm and its member hospitals, a known issue.

• Opportunity to apply to the REACH program where goal of the program is for organizations such as TransForm to adopt Innovation procurement initiatives

• Perfect partnership opportunity for Innovation and Supply Chain!

• 2017 included the collaborative development of a proposal to use the competitive dialogue methodology for procurement of a solution
Innovation and Supply Chain at TransForm: REACH Program – Lessons Learned

• Market Research: Consider multiple methodologies, particularly with higher complexity; higher risk projects to achieve greater market penetration

• Marketing: Ability to reach a broad audience that may not access traditional procurement posting sites. Requires some creativity; the ability to access other sources/networks

• Knowledge Sharing: Leverage your relationships! Reach out to others who have experience. Participate as an observer to learn from them.
Innovation and Supply Chain at TransForm: Collaborative Innovation Procurement Office

• Represents dedicated department within TransForm – Innovation staff report to Innovation, while Strategic Sourcing staff report to Supply Chain

• Opportunity to enable our organization to step back, and lead its member hospitals into the space of innovation procurement

• Staff include a coordinator, change management advisor/business analyst, and strategic sourcing specialist

• Will enable us to establish priorities and strategies to rapidly adopt innovation through innovation procurement methodologies
Innovation and Supply Chain at TransForm: After Innovation Procurement

<table>
<thead>
<tr>
<th>Supply Chain</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Allocated designated staff (1.0FTE soon to grow to 2.0 FTE) to lead</td>
<td>• Created new connections across Ontario and Canada’s network of</td>
</tr>
<tr>
<td>innovation procurement initiatives</td>
<td>innovators (ie GS1 Canada) through REACH</td>
</tr>
<tr>
<td>• Completed TransForm’s first market</td>
<td>• Focus areas: strategic partnerships, competency building, innovation</td>
</tr>
<tr>
<td>sounding initiative in March through the REACH program</td>
<td>procurement, and system change</td>
</tr>
<tr>
<td>• Included in our innovative Supply Chain initiatives (such as our partnership</td>
<td>• Included in our innovative Supply Chain initiatives (such as our</td>
</tr>
<tr>
<td>with the LHIN) is a look towards how we can leverage innovation/private</td>
<td>partnership with the LHIN) is a look towards how we can leverage</td>
</tr>
<tr>
<td>sector expertise to better provide services to our customers</td>
<td>innovation/private sector expertise to better provide services to our</td>
</tr>
<tr>
<td>• CIPO office staff will work with supply chain stakeholders to identify and</td>
<td>customers</td>
</tr>
<tr>
<td>publish our regional innovation priorities for the future</td>
<td></td>
</tr>
</tbody>
</table>
Prepare to enter the space of **Innovation**

- Gauge the appetite of your members/member hospitals
- Establish partnerships via networking/joining listservs, etc.
  - OCE (Ontario Centres of Excellence)
  - ONE (Ontario Network of Entrepreneurs)
  - OCHIS (Ontario Chief Health Innovation Strategist)
  - Regional incubators/accelerators/Ec-Dev organizations
- Identify how your organization will enter the space of innovation
  - Dedicated resources
  - Program-based funding models
  - Incorporated into multiple roles
Prepare your **Supply Chain Team**

- Leverage organizations and networks such as HSCN and the Conference Board of Canada who have completed substantial groundwork in the area of innovation procurement
- Take advantage of opportunities to learn (about both traditional and innovation procurement). For example, the HSCN Innovation Tool Kit trainings taking place across the province.
- Identify future opportunities where innovation procurement can add value to your initiatives, look to leverage programs for support and stakeholder relationships
- Identify who your change management leaders are within the team when assigning tasks related to innovation procurement.
- Review published case studies on innovation procurement
Prepare for your Partnership

• Initial hours to draft EOI/proposal, evaluation presentations in the GTA, revisions and refinement, receipt of funding, establishing the team and launching were all primary focus of innovation team and required significant supply chain resources.

• Proposal writing prior to procurement work requires forward thinking and balancing the creative minds of innovation with the risk aversion of supply chain

• Innovation Procurement is new, and can be misunderstood, even now.

• Look for opportunities to collaborate – with other organizations, SSOs, and us!
Innovation Procurement: A Recipe of Success

- Garnish with Creativity
- One part leadership Support
- One Part Ministry Guidance
- Two Parts of Collaboration

Serve Paired with Regional Priorities
Cheers! (Questions?)

Contact:

Renée McIntyre, Director, Supply Chain, TransForm
Renee.McIntyre@TransFormsso.ca

Melissa Sharpe-Harrigan, Manager, Innovation & Change Management, TransForm
Melissa.Harrigan@TransFormsso.ca