

Working together to create value and manage cost

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SCARCITY POWER SHIFT TECHNOLOGY



Is this a Copernicus moment?

Researcher /
Administrator at the
centre



Real world health
outcome at the centre



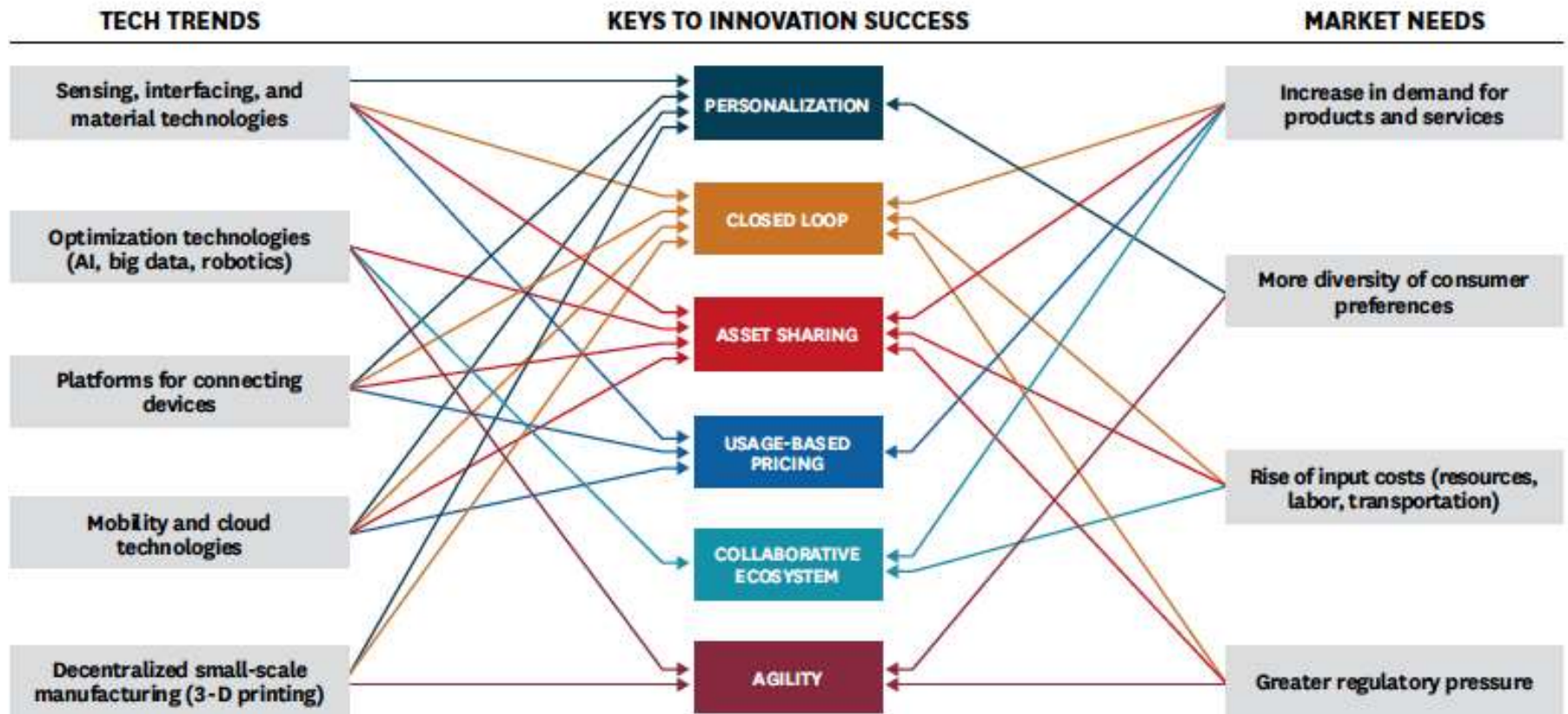
How do you create value?

And for who?

Low cost leadership & differentiation?



So how do you create a transformative business model?



Source: Harvard Business Review October 2016

Working Together: 2013-17 Strategic Plan

VISION

Improve the health and wellbeing of children through excellence in research

GOALS

Great science that has the potential to make a difference

Working together to achieve outcomes

Developing our people

Being a great organisation

Being financially sustainable

STRATEGIES

Research Strategy

Technology Strategy

People Strategy

Brand Strategy

Value Chain Strategy

BEHAVIOURS

Vision & Commitment

- Holds, communicates and contributes to the realisation of a bold vision for child health and wellbeing

Relationships & Partnerships

- Works to build and maintain effective relationships and partnerships across all levels, both internal and external to the Institute

Developing our people

- Works respectfully with all people and actively supports a culture of learning and development

Accountability & Adaptability

- Holds self and others to account and is transparent and flexible in how they achieve organisational outcomes

Reputation & Sustainability

- Understands and contributes to the positive reputation and financial goals of the Institute



How do you create shared value with partners?

Five elements are needed:

1. A common agenda
2. A shared measurement system
3. Mutually reinforcing activities
4. Constant communication, and
5. Dedicated “backbone” support from one or more independent organizations.

Improved Child Health & Wellbeing





Outcomes should be...

1. Improved cost management
2. Increased value from services provided
3. Increased corporate and political awareness / buy in
4. Higher calibre services provided to support research translation

Innovating the Value Chain



*A case study in
Procurement
Transformation*

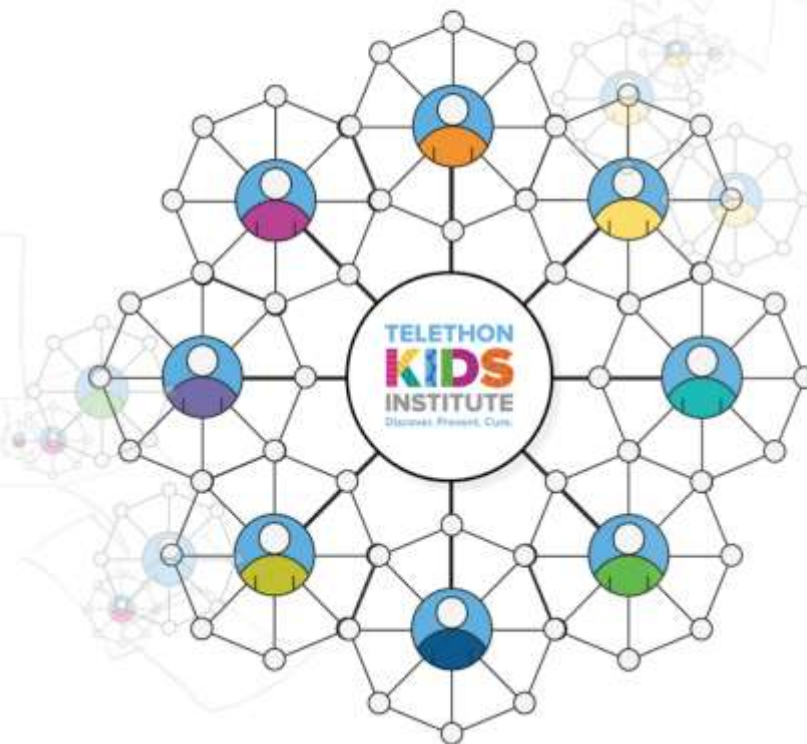


Strategic Procurement in an MRI

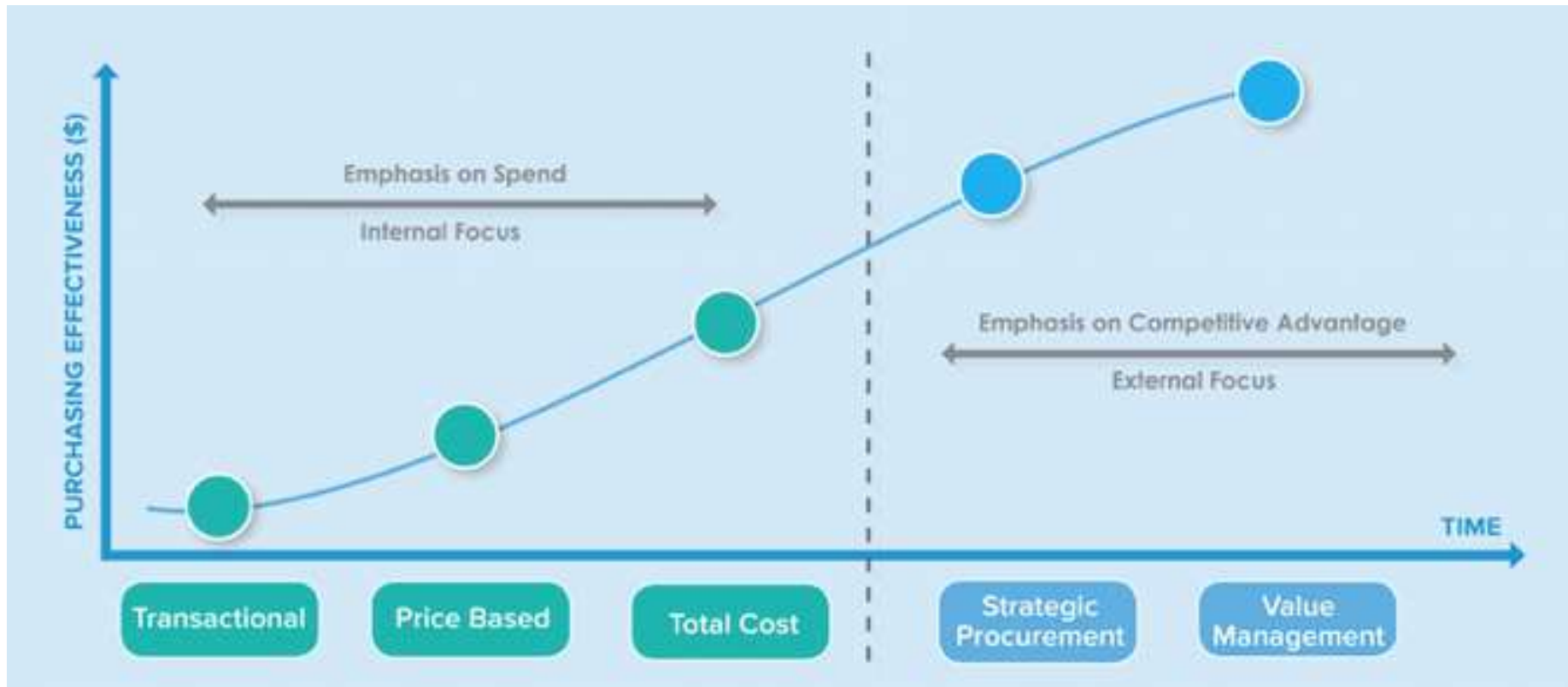
“Pushing the Frontier on Value”

Traditional Purchasing Model

Hundreds of **buyers** across the
Institute dealing with over **1000**
suppliers – ● emails ● orders
● invoices all over the place



Procurement Transformation





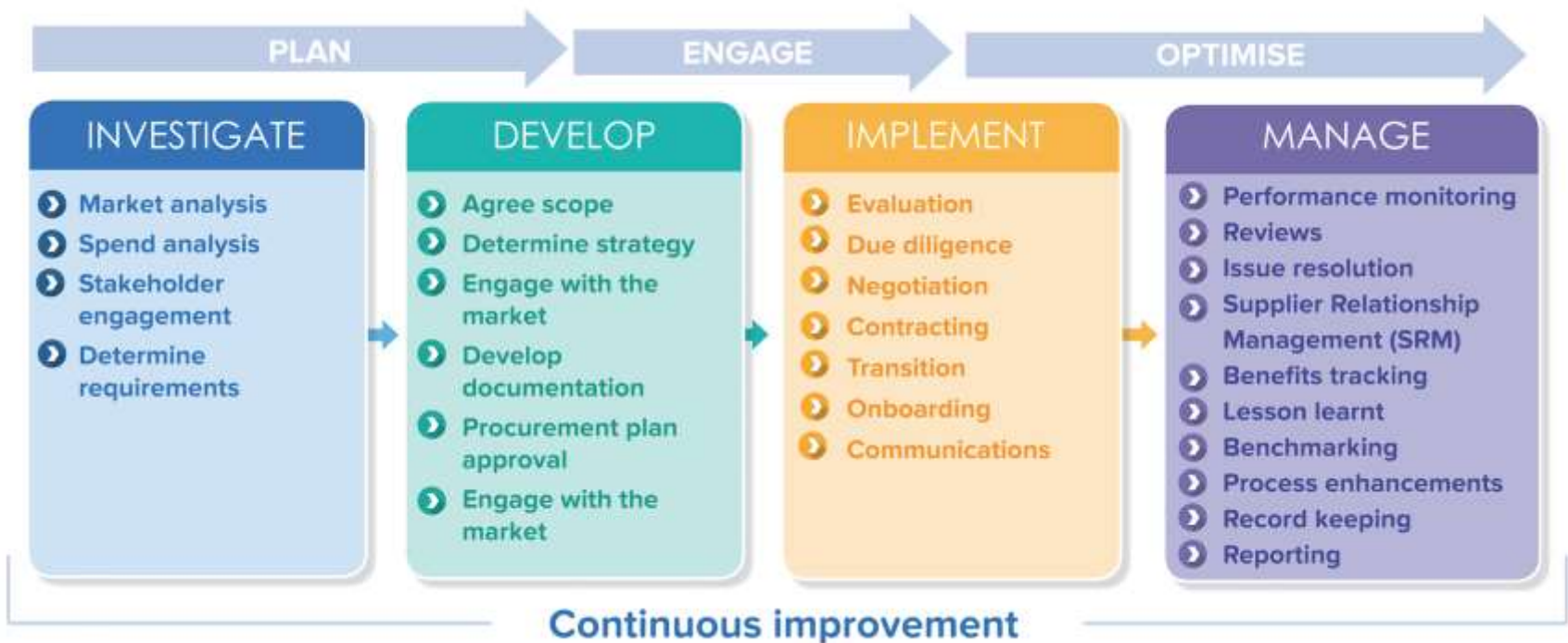
Building Supply Partnerships

Our Vision: Improving the health and wellbeing of children through excellence in research

Our Value Proposition: Strategic partnerships with key suppliers that create mutual value and connect to our Vision



Procurement Lifecycle





Supply Partnerships in Action

“Our team feels a deeply personal commitment to the Institute. All staff want to work on the Telethon Kids account.”

Many of our staff have young families and this makes work at the Institute highly meaningful. We also feel like we are playing a small part to help make a difference in other people's lives

“Our CEO received emails and phone calls from staff thanking him and expressing significant pride in the fact that the company they worked for was partnering with Telethon Kids.”

“Our board views the supply partnership with Telethon Kids as the best representation of a true supplier-customer partnership they have seen.”

Achievements to Date

OVER
\$1 MILLION
IN SAVINGS



40% of Spend
Through
Supply Partner
Arrangements



16 SUPPLY PARTNERS
ACROSS 7 KEY CATEGORIES OF SPEND



▲ Efficient Systems Implemented
▲ Purchasing Process Improvements

▲ Improved Supplier Relationships
▲ Standardised Approach



Further reduce the
number of buyers from
100's to 40 key buyers

Increased
Value Adds
from Supply Partners





Case Study

- Commitment to Best Pricing / VFM
- Minimum discounts - 10% to 30%
- Free of charge delivery
- CSR Partner in WA & 'Trusted Advisor'
- Annual rebate schemes
- Cause based marketing initiatives
- Event sponsorships
- Cash and non-cash donations
- Hosting seminars
- Process improvements



**LABORATORY
EQUIPMENT AND
CONSUMABLES PANEL**





MRI Procurement Collaboration

- Aggregated procurement
- National procurement tailored to the needs of MRIs
- Centre-led procurement, contract management & SRM
- Shared systems, technology, knowledge, best practice and processes





Thank you!

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