

E-Invoicing at Guy's and St Thomas' NHS Foundation Trust

Guy's and St Thomas' 
NHS Foundation Trust

Guy's and St Thomas' adopted GHX Exchange transaction platform to benefit from electronic ordering and invoicing.

VITAL STATISTICS

- E-enablement strategy facilitated a large reduction in Trust stock holding and an immediate accounting surplus of £4m.
- Invoices processed by each Accounts Payable clerk increased by 45%.
- 6,000 purchase orders sent each month through Exchange.
- 8,000 invoices received electronically each month through Exchange.

CHALLENGE

Guy's and St Thomas', a leading London teaching hospital, recognised the need to **convert a manual procurement process into an automated one**. The Trust saw the benefits of this process as 'future proofing' their procurement procedures, in particular ensuring that the Trust's future procurement of goods and services could be scaled as required. In 2008/09, Guy's and St Thomas' realised that the success of this project rested on 'going electronic' and investing immediately in an electronic platform on which they could build in the future.



SOLUTION: GHX Exchange

1 Electronic ordering



The first phase for the Trust was to send purchase orders electronically. GHX moved quickly to integrate the **GHX Exchange – a trading platform facilitating automatic electronic ordering** – with the Omnicell stock cabinets and Oracle Finance System in use at the Trust. This worked so that as stock of a particular product fell below a pre-defined level, an electronic order was automatically generated and sent out through the GHX Exchange.

Visibility of orders, and their status, was all provided through an Exchange portal login. No manual interference was needed for orders to be sent out from the Trust but, if required users were able to check that orders had been received by GHX and sent to suppliers.

2 E-Invoicing

Once the first phase was complete, Guy's and St Thomas' looked to drive invoices back through the Exchange from the supplier directly into the Trust's Oracle financial system for payment. **Adoption of e-invoicing has steadily grown** and now over 8,000 invoices are sent back through the GHX Exchange and received by the Trust electronically each month.

The GHX Exchange is configured through a series of business rules which automatically translates each 'message' into the format required by the receiving system. For example, **no matter how a supplier sends its invoice to the Trust, the Exchange does the translation work automatically** to ensure that it appears in the correct format in the Trust's financial system. This all happens within a matter of a few seconds.

In practice, this means that many orders require no manual input or interference during the entire purchase to pay (P2P) process, until the invoice is received electronically into the Oracle financial system. **Everything is automated – from the creation of the purchase order, electronic transmission through the Exchange, receipt of order line status updates, and ultimately receipt of an electronic invoice.** From a manually-intensive procedure the P2P process has become 'touchless'.



RESULT

1. 'Just-in-Time'

The integration of all systems - financial, stock control and procurement – allowed the Trust to implement a 'just-in-time' procurement strategy. Introduction of the stock management system led to a large actual saving in stock holding and an immediate accounting surplus of £4m. In addition, there was a reduction in wastage and out of date stock that was being discarded by the hospital, and this saving is on-going.



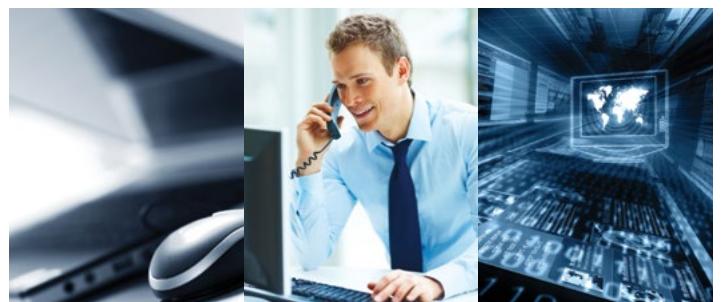
2. Efficiency Savings

Guy's and St Thomas' has grown rapidly, notably with the absorption of Lambeth and Southwark Community Services. The Trust cites its investment in a supply chain technology platform as the reason why during this growth period it has been able to reduce its procurement operations team and keep constant its payments team. The Trust has absorbed the extra P2P transaction requirements, which has increased the number of invoices processed by each Accounts Payable clerk by 45%.

WHY GHX?



- GHX Exchange is a bespoke system designed specifically for the healthcare industry.
- The Exchange could easily integrate with the existing systems in use at the Trust, in this instance Oracle and Omnicell.
- The Exchange allowed e-invoicing, creating significant efficiency savings by automating a previously labour-intensive process.



THE LAST WORD...

Peter Evans, Finance Process Improvement Manager at Guy's and St Thomas', said:

"We have dealt with excellent people throughout and cannot fault the professionalism of GHX."

Discover how GHX can help you...

To find out more about how GHX can help you solve your ordering and invoicing issues, send your contact details to this address and one of our experts will be in touch:

GHX[®]
info-uk@ghxeurope.com