Roundtable #1: From Partitioning to Global Networking: Is there a critical size for purchasing groups?
Collaborative Models

Consortia, co-operatives, confederations, collaboratives, alliances

Key Issues

Scope/remit
Influence
Critical Mass
Virtual

Spectrum of Development

GPO’s - Group Purchasing Organisations/ Collaborative Procurement Organisations
Is critical mass the most important factor?

### Key Features of purchasing groups:

#### Leaders
- Strong Governance
- Trust
- Commitment
- Critical mass to bring volume and partner with industry
- Strategic Sourcing Strategy and category management
- Leadership and strategic intent
- Stable investment base
- Supplier relationship management
- BS Performance Metrics

#### Innovators “world class”
- Strong governance
- Diversified
- Commitment
- Unique or innovative approaches
- Systemised
- Partnerships
- New business models and investment
- Supplier relationship management
- Health Efficiency/Economic metrics

#### Emerging
- Disaggregated group
- Shared leadership
- Virtual Organisations
- Risk of chaotic collaboration based on networking
- Lack of investment
- Developing data systems and metrics

#### Maturing
- Consolidating developing track record
- Sharing resources
- Formal governance and member trust developing
- Established data metrics and systems
- Secure funding

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Global Networking

Challenges for collaboration

Horizontal Alliances v Vertical Alliances *(Hendricks, Thomas 1997)*

Size or common objectives?
The Future

External Influences – Political/Economic

Efficiencies and Healthcare Metrics

Total Cost of Ownership/SMART

Commercial Approach
The Future: Global Networking

- Measures of Procurement Effectiveness (Healthcare Efficiency)
- Demand Aggregation and Compliance
- Positioning Procurement/Commercial in the strategic agenda of healthcare business
International Networking

Membership participation

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<th>Italy</th>
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Goals

- to advance market knowledge across Europe
- to improve procurement performance
- to build pan-european strategic purchasing strategies for the future
Thank You

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