



Generating Business Value

by exploring Product Specification Optimization.

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AIM

To adopt procurement strategies to explore the use of Product Specification Optimization for the purpose of generating business value. By leverage on market competition to source for better quality, water resistance label at same or lower cost to improves the efficiency of use and minimise waste.

METHODOLOGY

1. Identify the purpose

ALPS @ KTPH explored products of better quality at same or lower cost by reviewing the products specification with the users.

- Medication and specimen labels is mostly used in A&E and inpatient wards to contain information for identification to ensure accuracy and efficiency in daily workflows.
- The labels used are not water resistance therefore, user face issues as the information on the labels fades off when the label is in contact with water.

2. Methods used:

Request for Quote (RFQ) was established and evaluation was done with the Evaluation Committee (EC). Samples were provided to EC members to review and test the label quality.

3. Strategies adopted to contain the cost increase:

- ❖ **Market Penetration / Expansion** - Open RFQ to leverage on market competition to reduce cost.
- ❖ **Product Specification Optimization** - Worked with users by reviewing the products specification for better quality, water resistance product.

RESULT

- Awarded to new vendor which supplies better-quality material that is water resistance, which prevent information fading off from the labels.
- Improves the efficiency of use and minimise waste from having to reprint to replace the smudged or faded off labels.
- With negotiations, we achieved a substantial total estimated Cost savings amount of \$31K (35.5%) for 5 years consumption.

CONCLUSION

The use of Product Specification Optimization concept during the review of the products specification with the users allows opportunities to fine-tune the requirements for better quality, water resistance label at same or lower cost to improves the efficiency of use and minimise waste.