

## eDirect Back Order Line Amends (BOLA) Project Brief

### What is Back Order Management?

- Back-order management or order line level management occurs if a supplier is unable to fulfil an order within the advertised delivery dates or supply the full requested product quantity.

### Project Background

- As NHS Supply Chain has grown and evolved over time, we now serve multi-million-pound organisations within the NHS family. The old manual methods of managing orders are now unsuitable, causing elevated levels of administration and management throughout the entire supply chain. A standard, simple and modern solution is required, that meets the expectations of you as valued customers and our suppliers. As we modernise our technology and organisation, we can now revisit this.
- Our Suppliers have, over time, adopted numerous work arounds for back-order management to meet your demands and expectations, in addition to the strict service level agreements NHS Supply Chain request they operate to. Unfortunately, there is no standard approach to these work arounds, so there are many ways in which suppliers will service, manage, and invoice an order. We acknowledge that the lack of a consistent approach is proving increasingly difficult for you to manage.

### Project goals

- We want to make it easy to engage and work with us, so we are updating our technology and ways of working to accommodate an industry standard back-order management process.
- We want you to be able to manage your materials and inventory effectively, so we'll provide you with clear and timely information on the status of your order.
- We want to support your ability to manage patient care and organisational demands, so we'll provide you with reliable information when there is a delay, along with realistic estimates of when the order can be expected.
- We want to reduce your current administrative overheads and provide you with the opportunity to make choices around your orders. So, we'll enable shipment available products and enable suppliers to communicate on and manage the remaining products on back order against the same NHS Provider purchase order/Local reference number.
- We want to help suppliers keep their prices low and better plan for future demand, so we'll simplify and standardise the order management process for our end point suppliers
- We want to reduce the burden of accruals and concerns around Specialised Services Devices Programme SSDP (formally known as HCTED) reimbursement, so we'll enable suppliers to part invoice shipped goods against a purchase order.

### How will this work

- The solution will extend to both NHS Supply Chain Stock Replenishment and eDirect order routes. This means anything NHS Supply Chain holds on stock in our warehouses and those orders that are sent direct to your delivery points by the end supplier.

- Orders will be transferred to our end suppliers using our current referencing standards
- If an order line cannot be fulfilled due to stock shortage, the supplier can:
  - Reschedule and entire line when stock on back order is scheduled to arrive
  - Release what stock is available and reschedule a subsequent date when remaining stock is schedule to arrive
  - Be able to part invoice for goods dispatched
  - Send communications when products within your order are on back order, or have been part shipped
  - Retain all the lines on your original purchase order – no need to cancel and re-order, meaning you'll retain your place on the 'first come/first served' list.

### Example of how current orders are managed

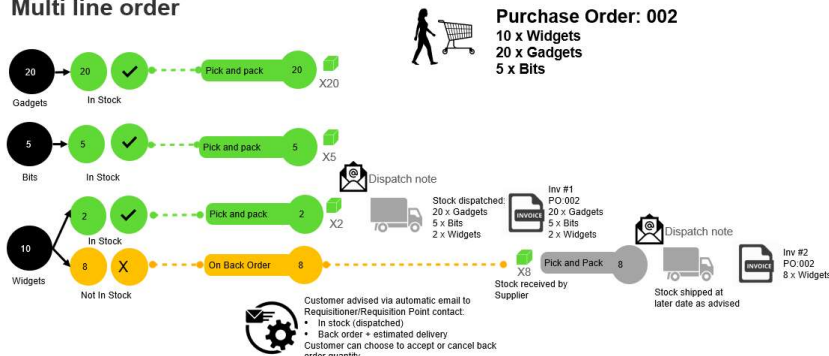
\*This is variable dependent on how individual suppliers manage orders



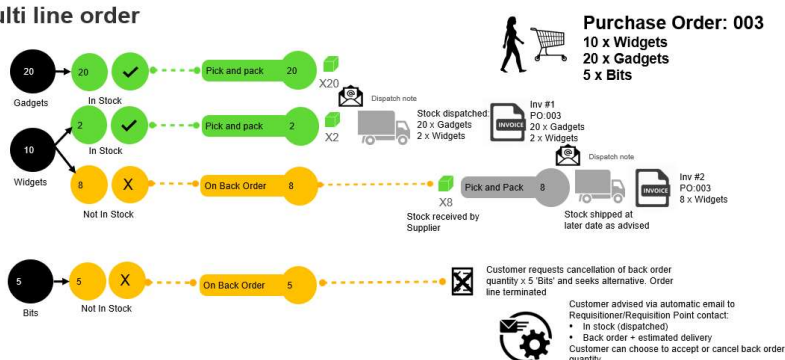
### The following are representations of how the future state will look



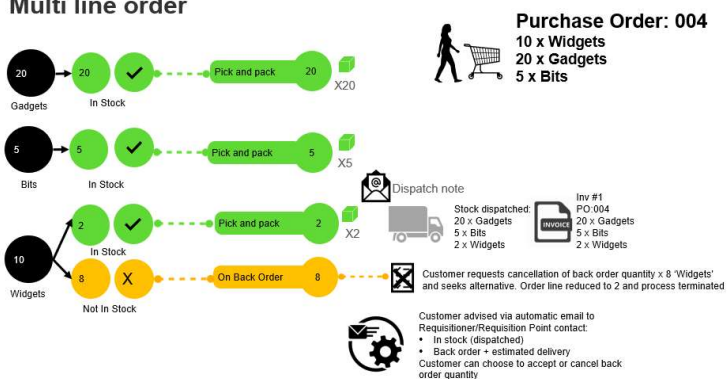
## Multi line order



## Multi line order



## Multi line order



## Out of scope

- Blue Diamond. This is where you order is delivered by the supplier to one of our distribution centres. We then collate it with you other ordered items we hold in stock, and ship both together. The 'just in time' nature of the Blue-Diamond provision to our distribution centres does not fit with a back-order management model.

## Timescales

- The project is complex from a technical and business change perspective. This is because most of our order management, communication systems and many of our/our supplier's business processes will be impacted in some way as we 'design out' the old ways of working.
- The project is currently designing the solution in detail, working through the intricate interdependencies of all our internal systems and processes that will need to change. When this is complete, we'll be able to more accurately forecast how and when the solution will be available, but we are driving hard for Q1/Q2 2023 timescales.
- Further details will follow as we work through the fastest route to enable this functionality for our suppliers and achieve the desired objectives and benefits you as our valued customers.

## Further information

For general enquiries contact [edirect@supplychain.nhs.uk](mailto:edirect@supplychain.nhs.uk)