



Making eBusiness YOUR Business

ECEPP Case Study

The eCommerce Exhibition Projects Program (ECEPP) provides funding to support clusters of Victorian businesses in developing innovative and collaborative eCommerce projects.

Monash Project Case Study

‘Theoretically, the product could be tracked from the manufacturer to patient, which would be brilliant, especially if there was a need for a product recall.’

Mr Ian Larmour
Director of Pharmacy
Southern Health

New direction for Australia’s pharmaceutical supply chain

Many sectors of Australia’s retail supply chain are reaping the benefits of a fully electronic system, from purchase order through to payment. The same thing cannot be said for Australia’s pharmaceutical supply chain, which still operates using a predominantly paper-based system that is reliant on manual processing.

Ian Larmour, Director of Pharmacy with Southern Health said the Pharmacy Department at Monash Medical Centre in Melbourne’s south-east is a prime example.

‘Orders initiated from the Pharmacy Department are placed with suppliers by telephone and fax. When the order arrives, its quantity, price, prescription and expiry dates are entered into a central computer before it is shelved or issued to other areas within the hospital. A wrong price, product description or quantity can cause havoc and create a very labour-intensive process to correct the error, particularly when there are 2,500 product lines,’ Mr Larmour said.

Looking for a solution to this cumbersome process, the Monash Medical Centre Pharmacy Department joined forces with three suppliers: Clifford Hallam Pharmaceuticals, Hospital Supplies of Australia and Orion Laboratories and key stakeholders (Health Purchasing Victoria, the National Supply Chain Reform Task Force, Pharmhos Software and EAN Australia). In a collaborative effort, the group successfully applied for a Victorian Government grant under the *eCommerce Exhibition Projects Program* (ECEPP), which supports technology-based initiatives that reduce costs, improve relationships, save time and expand markets. Using ECEPP funds, the project team established the Monash Project – a month-long demonstration of an automated eCommerce supply chain between Monash Medical Centre Pharmacy Department and its distributors. The project scope included ordering, processing, picking, packing, despatch and receipt of goods.

The EAN•UCC Standards for number, barcoding and electronic data interchange (EDI) were used as part of this project. The EAN•UCC System is a set of global standards that allow for the unique identification of all trade items, processes, services, shipments, companies and locations at any point in the supply chain. The system can be used by industries to facilitate trade by combining unique identification numbers with barcodes and eCommerce processes. The Australian Standards for Health Supply Chain Messaging (AS 5023.1 and AS 5023.2) were also used where appropriate.

As part of the process, distributors received a purchase order via EDI from the hospital pharmaceutical system. Distributors responded electronically with a purchase order confirmation. The items were then scanned and packed into cartons barcoded with unique identifiers called Serial Shipping Container Codes, which sent electronic





‘The immediate benefits of the demonstration project are that we now know what needs to be done to roll out the project on a major scale, and we’ve proved that a diverse group of people from different industries can work effectively together.’

Mr Ian Larmour
Director of Pharmacy
Southern Health

despatch advice back to the Pharmacy Department’s computer system. The despatch advice specified exactly which goods were included in the delivery and the barcode numbers on the cartons being shipped. When the shipment was received by the Hospital Pharmacy, staff could scan the barcodes on the cartons, creating a link between the physical goods and the despatch advice message, automatically updating the data in the pharmacy system.

Mr Larmour said while the project demonstrated the value of eCommerce in the pharmaceutical supply chain, it also uncovered issues that need addressing if there is to become a streamlined pharmaceutical supply chain – namely the absence of barcodes on all levels of product packaging.

‘The project also highlighted a need for a whole-of-industry requirement to have a single source of EAN•UCC barcode numbers for data synchronisation purposes. The next phase will be to persuade more manufacturers to start applying EAN•UCC barcodes to their products at all levels of packaging,’ Mr Larmour said.

‘We’re attempting to steer everyone down the path of uniformity by adopting the EAN•UCC Standards as well as Australian Standards (AS 5023.1-2003 and 5023.2-2003) for Supply Chain Messaging content. If all players in the supply chain are using standards it makes the whole supply chain flow more smoothly. Whatever the product, the barcode should identify it. The batch and expiry date as well as other product specific information should also be barcoded on the product. Theoretically, the product could be tracked from the manufacturer to patient, which would be brilliant, especially if there was a need for a product recall. It could also help to reduce dispensing errors.’

‘The immediate benefits of the demonstration project are that we now know what needs to be done to roll out the project on a major scale, and we’ve proved that a diverse group of people from different industries can work effectively together.’

The existing project team has continued to work together to progress the achievements of the demonstration project. Additional participants are being engaged to continue with its success.

Main benefits

- Improved accuracy
- Real time information
- Reduced receiving times
- Reduced errors
- Reduced lead times

For more exciting ECEPP projects see:

eCommerce Exhibition Projects Program

www.mmv.vic.gov.au/ecepp

Track-a-Project: A unique way to monitor the progress of the latest ECEPP projects

www.business.vic.gov.au/ECEPP

For further information, visit:

EAN Australia

www.ean.com.au

or contact Ms Sue Schmid,
General Manager – Member and Industry Support

EAN Australia, Tel. 1300 366 033

Email sschmid@ean.com.au