

SUCCESS STORY

Aged Care Queensland Inc
Epact Pty Limited
Aston Naviteam Pty Limited



Private and public sector businesses collaborate in the development of e-commerce models to substantially improve the management of SMEs



Steve Demeye, General Manager, BHS Queen Elizabeth Village at Ballarat

An opportunity for the smallest service provider to match the data and measurement power of the largest. This could turn a cottage industry into high rise!

*Michael Isaac
Chief Executive Officer
Aged Care Queensland Incorporated*

The Organisations

The SME e-services value chain partners were:

Aged Care Queensland Inc, the leading state-based aged care and retirement village industry organisation in Australia, providing the only national financial benchmarking database for the industry.

Epact Pty Ltd, a provider of internet-based forms infrastructure that supports ACQI's financial benchmarking of its members.

Aston Naviteam Pty Ltd, the leading national reseller of Navision enterprise software in Australia, which is used within a number of large aged care businesses.

Practice Management Pty Ltd, which delivers software, training and management coaching via an ASP model to health and medical sector SMEs. Practice Management was unable to complete the project due to a takeover.

The Project

The project was designed to determine whether value chain thinking could be used with new

products and non-traditional players to drive competitiveness into an existing market. The objective of the project was to determine how improved management techniques, represented initially by modern software and consulting products, could be delivered to aged care SMEs outside the metropolitan areas via the Application Service Provider (ASP) model.

Project Methodology

Key steps in the project were:

- Research the current problems represented by the traditional approach to management information systems in aged care SMEs;
- Develop the criteria that would help an SME to adopt the delivery of software and services via an ASP;
- Implement and monitor management information systems in a suitable pilot site (Ballarat Health Services, Victoria); and
- Develop a business model for ASP delivery of management services.

VALUE CHAIN
MANAGEMENT
PROGRAM



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Benefits and Outcomes

The project has concluded that:

- Aged care SMEs see value in Internet-based software if computer infrastructure and training costs are reduced and management capability is enhanced;
- The cost of providing software and services through an ASP must be acceptable in terms of an industry norm such as the Commonwealth Government subsidy for aged care beds - this translates to a figure of less than \$20 per bed per month;
- The key initial software for ASP delivery should be care planning, standard financials and rostering;
- The absence of dominant software vendors in aged care is a risk factor across the nation, resulting in additional costs of connectivity and training; and
- Regular changes in legislation mean additional software upgrade costs.

The table provides benefits of ASP delivery of software to Ballarat Health Services.



ACQI has determined that:

- the cost of delivery of these software and services will be attractive to approximately 30% of their SME members;
- the financial benchmarking opportunities will be improved as a result of the consistency of charts of accounts available via the ASP model; and

Factor	New level *
Cost of communication with government	50-60% time/cost reduction
IT maintenance (outsourced to the ASP)	80-90% time/cost reduction
Up-front hardware/software purchase costs	5-10% reduction
Capacity to enhance care and service outcomes	Rapid, secure access to current health information close to the point of care
Logging/accuracy of intervention activities	20% increase in interventions logged; accuracy to be confirmed
Communication between professional care providers and consumers/families	Remote 24/7 access to updates on care and health status

* Estimated on the basis of monitoring to date

Epact, which integrates the software of others into an ASP format, has noted:

- the ability to improve the quality of care by aggregating data for benchmarking purposes through data mining techniques;
- the opportunity for improved management decisions resulting from real time collection of procedural activities data; and
- the ability to provide increased protection measures for resident health information stored electronically.

- value chain thinking can assist aged care providers to identify opportunities to remove costs via collaboration with other health care and community service providers in their local areas

Aston Naviteam will use the results to enhance its existing enterprise software into an ASP delivery model and work with clients and their accountants to provide secure, remote monitoring of client business performance.

This project was facilitated by Dr Ian Dover of Alitek Pty Ltd, a project manager accredited with the Value Chain Management Program. The Program is an initiative of the Commonwealth Government.

www.valuechains.industry.gov.au