A–Z of Value-Based Procurement

A practical reference for healthcare suppliers and procurement professionals

A plain-language reference for anyone working in healthcare procurement or commercial — twenty-six entries, one per letter, drawn from twenty years inside NHS procurement and the work that started with the national value-based procurement programme at NHS Supply Chain in 2019. Each entry is a single, plain-language paragraph. Read it through, or pick the entries that matter to you.

A Awareness

I started the national value-based procurement programme at NHS Supply Chain in 2019. At that point the awareness conversation was about getting health systems and suppliers to recognise that the shift to value was coming. Seven years on, the shift has happened and the conversation has moved on. Suppliers and health systems who are still working out whether VBP is real are at a disadvantage. The bar for credible engagement is higher than it was, and will be higher again in three years' time.

B Bravery

Being aware of the shift to value is one thing. Acting on it is another. The suppliers who will be in the conversations that matter in three years' time are those who recognise the need to change and commit to it now. The suppliers who wait for someone else to prove it works first will be in a different category. The suppliers and health systems that get left behind on this shift rarely make up the ground later. Bravery here isn't a heroic word — it just means deciding to change before the system forces you to.

C Collaboration

VBP requires buyers and suppliers to work differently with each other than they have done historically. The familiar pattern — buyers ask for a price, suppliers respond with a price, both sides argue over the discount — does not produce value-led outcomes. Suppliers have to lead with outcomes and total cost of care, not with features and unit price. Both sides need to commit, moving relationships from adversarial to genuinely collaborative. Where only one side commits, both default back to the old conversation.

D Delivery

VBP delivery has historically been over-engineered. Too much time spent on methodology design, not enough on practical results. The 2026 picture is shifting — the live NHS Trust pilots and the DHSC methodology work are forcing a tighter focus on delivery. A useful working test: can a VBP project move

from 'pilot underway' to 'evidenced outcomes published' inside eighteen months? Anything longer is not a pilot, it is a research project.

E Education

VBP is a system-wide shift, not a procurement initiative. It requires understanding from front-line sales through to commercial leadership, and from buyers through to clinical leads and finance directors. Education programmes that focus only on procurement teams miss most of the audience. Luach offers Selling Value in Healthcare for industry and Procuring Value in Healthcare for NHS audiences, with foundation through senior practitioner levels in both.

F Finance

Finance is a critical stakeholder in value-based procurement, and one of the most under-engaged. Procurement teams and suppliers often treat finance as the hurdle to clear at the end — a sign-off rather than a conversation. That's a mistake. Finance leaders in NHS Trusts and ICBs are increasingly being asked to make value calls on whole-pathway investment, not on unit price. When they don't understand the VBP proposition — the baseline, the saving mechanism, the time-to-impact — they default to the safer answer, which is no. The practical move is to bring finance in early, explain value in the language they use, and structure the case so it stands up to finance scrutiny without translation. Done well, finance becomes the most useful internal advocate VBP has.

G Goals

There's a saying that life without a goal is like flying a plane and not knowing where to land. VBP is much the same. Engage your organisation and wider ecosystem, decide what you want to achieve, and set short, medium and long term goals you can actually evaluate against — patient cohort, outcome metric, baseline, target, and the date by which the target should be achieved. Anything looser than that drifts.

H Help

HELP is a positive 4 letter word, and probably one used less than others we can think about. Increasing demand, budget pressures, workforce shortages and the productivity gap mean healthcare systems are under sustained pressure to deliver excellent outcomes at lower cost. Both NHS systems and supplier commercial teams often need help navigating VBP in the early stages — the gap between policy intent and operational practice is wide. The practical questions are usually the same in every engagement: where does VBP fit in our portfolio, how do we structure a credible value case, who do we engage and in what sequence. Asking these questions early — and to someone who has worked through them before — usually saves significant time downstream.

I Innovation

Traditionally innovation is pushed by industry through healthcare. VBP creates a different mechanism — promoting and pulling innovation through the system by improving dialogue between buyers and suppliers. Real world analysis of pathways identifies the challenges, quantifies the level of material change needed, and communicates that to suppliers — enabling industry to target their R&D and commercial resources at solutions that deliver tangible and measurable benefits: patient outcomes, efficiency, cost reduction and reduced carbon impact.

J Journey

The age-old adage is that a journey of a thousand miles starts with a single step. Embarking on a value-based procurement or value-based healthcare strategy can feel daunting — which direction should we go, how much effort will it take, will we encounter problems along the way? All perfectly normal reactions. My experience is that the projects that work start simple, focused on the delivery of small tangible steps and measured progress, and before you know where you are momentum has been created and you are on your way.

K Knowledge

Knowledge is power to deliver VBP. Value-based procurement reaches across multiple levels within both procurement and supplier organisations — from buyers to procurement directors, clinical leads to commissioners, finance to strategy on the buyer side; from market access to commercial, supply chain to sales on the supplier side. Creating shared common knowledge and understanding of the meaning and practice of value — across all key stakeholder groups in both healthcare and industry — is critical for the approach to succeed. Tools such as training needs analysis and personal development reviews are a practical, mainstream way of testing where people's understanding sits.

L Linear

Value-based procurement requires a linear view across the whole patient pathway — right the way to the horizon and back. Only by tracing it end-to-end can you see where the real challenges sit, what needs to change and by how much, and how patient outcomes, financial flows and efficiency move together. Looking at the pathway in fragments — a step here, a step there — rarely surfaces the same insight. Engage clinicians at the start of that mapping and the picture becomes a lot sharper, a lot more quickly.

M Measurement

If you can't measure it, you can't manage it. The good news is that VBP doesn't need a bespoke or overly complex measurement framework — the traditional procurement measures of cost, quality and service work well, you just need to apply them at pathway level rather than unit level. For cost, measure pathway cost not unit cost. For quality, measure improvement in patient outcomes. For service, measure operational efficiency at pathway level — theatre time, length of stay, readmission rate. Keep it simple and measurable from the start.

N Numbers

The numbers don't have to be everything, but they do have to be defensible. A VBP proposition that claims a cost saving needs to specify the baseline, the saving mechanism, and the assumptions under which the saving holds. The discipline of getting those three right early on builds trust on both sides and makes the conversation that follows much easier. Take the time to get the numbers right — it pays back.

O Opportunity

VBP is a chance for both health systems and suppliers to differentiate. The first-mover advantage in specific therapy areas is real — the first supplier to publish credible outcome evidence in a category sets the bar that competitors then have to meet. For health systems, being one of the early adopters in a category opens the door to richer evidence, better partnerships, and stronger negotiating positions.

P Pathways

VBP works best when it is identified and driven by clinical leaders with both the desire and the influence to support changes in practice. Pathway-level analysis identifies where productivity and outcome gains can credibly be generated, and quantifies the material change needed to deliver them. Engage clinical leadership early and the conversation naturally broadens out from procurement to the wider opportunity.

Q Question

If we want better answers we need to ask better questions. Procurement conversations have traditionally focused on short-term price questions — what discount can you offer against this contract? The VBP question is structurally different: what is the problem in this pathway, and how can you as a supplier help us solve it? That shift in framing opens space for supplier propositions and conversations that price-led questions don't allow.

R Results

VBP requires evidence that value is being created. Contract management is where most VBP propositions deliver their full potential — and it works best when both sides agree on simple, transparent measures from the outset, capture data consistently, review against agreed targets, and adjust where the data shows the proposition isn't landing as expected. The measures don't need to be complex — they just need to be honest and shared.

S Sustainability

VBP has become a core mechanism for delivering sustainable healthcare procurement. Optimising product utilisation, reducing waste, lowering carbon footprint — these are not separate from VBP, they sit naturally inside credible value cases. NHS Supply Chain's published case studies increasingly score sustainability metrics alongside clinical outcomes and cost, and international procurement bodies are moving in the same direction.

T Tangible

VBP propositions only work if they deliver benefits the customer can verify. The strongest VBP claims state specifically what will improve, by how much, against what baseline, and how it will be measured. The discipline of tangibility is what separates a credible value case from a marketing message — and it's a discipline both sides benefit from applying.

U Understand

Buyers and suppliers need to invest time in understanding each other's pressures before any productive VBP conversation can start. For suppliers: understand the trust's financial position, the clinical priorities, the procurement constraints. For buyers: understand the supplier's commercial economics, where their proposition has worked elsewhere, where the limits of their evidence base are. Time invested here pays back in every conversation that follows.

V Value

In the context of healthcare it’s at the heart of everything we do, to improve value in terms of creating long term sustainable solutions that benefit populations across the world.

W Wonder

Embrace VBP as a mechanism to reflect in a state of wonder — what could be done differently to improve patient care. VBP projects promote innovation, whether this be pulled by health systems through identification of challenges or pushed by industry through innovation.

X Xeromorphic

A xeromorphic plant is one that has adapted its structure to thrive in a harsh, resource-constrained environment — thicker cuticles, deeper roots, modified leaves. The shift to value-based procurement and value-based healthcare asks something similar of organisations. Healthcare systems and suppliers that thrive in this new environment are the ones that have adapted their structures, skills and conversations to it — pathway thinking, clinical engagement, outcome measurement, total cost of care. The ones that try to operate in the new environment with the old shape of organisation tend to find it gets harder, not easier, over time. The environment is changing. The question is whether you change with it.

Y Yesterday

All my troubles seemed so far away … this tune will stay with you all day :) There's been so much progress made towards VBP adoption that we can't afford to be dragged back into the past. Buyers build VBP into workplans. Suppliers give them the evidence to show that VBP works.

Z Zealous

If VBP is to work you must be ZEALOUS in your commitment to the cause, and communicate the benefits it can bring to patients and to your healthcare system.

If any of these entries resonate with where you are in your VBP journey — or where you are stuck — I read every email personally. brian@luachcg.com.

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Published June 2026 · www.luachcg.com