

Cardiovascular Cost Savings for Health System

A 22-hospital health system had \$37M annual spend on the Cardiovascular category (2nd highest spend category), with opportunities to reduce costs through supplier consolidation, SKU rationalization, better contract management and demand utilization improvements. The manual tracking of contract savings and performance metrics across CV categories was time-consuming and prone to errors, leading to inefficiencies and missed savings opportunities.

- Analyze the spend data, identify cost reduction opportunities, and negotiate supplier contracts to achieve significant cost savings*
- Automate the tracking and reporting of contract savings, supplier spend profiles, and performance scorecards*

Spend Data Analysis

- Conducted detailed spend cube analysis, benchmarked pricing & utilization trends for CRM devices across 22 facilities.
- Identified suppliers & SKU consolidation opportunities, pricing arbitrage opportunities
- Designed a value-based negotiation framework to prioritize total cost of ownership.
- Collaborated with the Sourcing team to negotiate better terms with suppliers, consolidate supplier base to leveraging rebates and bulk purchasing discounts.

Contract Performance Management

- Worked with procurement managers to identify key metrics for contract performance.
- Designed and implemented automated templates and dashboards using Excel to monitor contract savings and performance metrics.
- Evaluated supplier performance data, including pricing, delivery metrics, and product quality.
- Trained procurement teams on the new tools to ensure seamless adoption and ongoing utilization.

Business Outcomes

- Achieved \$5.8M in cost savings (15.6% reduction in spend)
- Increased transparency and efficiency, resulting in average cost savings of 12% across cardiovascular category
- Significantly reduced the time spent on manual tracking of contract performance (realized savings, rebates & compliance)

