

Leading Healthcare Provider Makes Procurement More User Friendly and Efficient

Customer Profile

Healthcare providers have industry unique procurement needs that are typically not solved by one-size-fits-all solutions. One of the nation's leading healthcare networks, based in California, found these needs challenged when a call arose to manage the procurement of orthopedic implants for surgeries. Their existing system was cumbersome, difficult to use and not designed specifically for the challenges of the healthcare system.

"JAGGAER has allowed us to capture the large portion of our spending that was not being managed, including contract compliance and leveraging suppliers. We're buying the correct items at the correct price from the correct source, under contract."

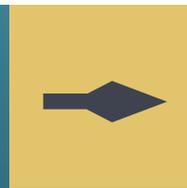
Manager of Supply
Chain Operations,
Top Healthcare
Provider

"The standard requisition system in our ERP was just too cumbersome," described the manager of supply chain operations. "We needed a system that would make it easy for people to get the products they need, and help us manage our spending."

The healthcare provider conducted research into solutions and found that JAGGAER offered a bundled module package tailored for the healthcare industry. The provider implemented JAGGAER's eProcurement with the Contracts+ solution. As a result, the provider realized greater efficiency and spending compliance through the ability to guide purchasing against contract while enforcing spending limits, all with high marks for ease of use.

Challenge

One of the nation's leading not-for-profit healthcare networks operates facilities in more than 100 communities across northern California. The network employs more than 68,000 doctors, nurses, support staff and volunteers, serving the region with hospitals, surgery centers, medical research facilities, and clinics.



The provider typically spends more than \$300 million per year on procured materials. Orthopedic surgeries represent one of their most important services, presenting a unique procurement challenge.

“We have to create the PO after the product is already in the patient,” explained the manager of supply chain operations. “That makes it hard to maintain compliance and visibility into our requisition system.”

Making matters worse, the requisition function in their ERP was extremely cumbersome. “The searches were too literal. You had to enter the exact name of the product you were searching for, and there was no room for error,” he added. “You couldn’t find what you were looking for.”

As a result, people were ordering products directly from vendors instead of using the

ERP, which meant that they were outside any contracts, and his department had no visibility into the spending.

It also took additional time to order products. “It impeded everyone’s ability to do their jobs efficiently,” pointed out the manager.

Solution

“We needed an Amazon-like B2B experience,” explained the supply chain operations manager, referring to the online retailer’s intuitive, user-friendly B2C system. While that was important, their procurement system also had to provide them with greater visibility and control over the requisitioning process.

Increased visibility and control is critical for the Healthcare provider’s orthopedic surgery practice.

After looking at several different solutions, the healthcare provider chose JAGGAER's eProcurement and Contracts+ solutions, for their ease of use and applicability to healthcare. "They had the most Amazon-like B2B experience," supply chain operations manager said.

"We have over 8,000 people who access the system. Our ERP system couldn't do the things the JAGGAER solution does."

Results

Although it affects only part of the business, improving the orthopedic surgery requisitioning process has had a big impact. "Before using JAGGAER, less than half of our requisitions went through the appropriate channels," confirmed the supply chain ops manager. "That means they weren't being approved or purchased under contract."

Using JAGGAER eProcurement, 97 percent of all purchases, and 100 percent of orthopedic purchases, go through the correct channels, maximizing cost savings, speeding cycle times and driving economies of scale.

This success is due to the system's intuitive user interface, "when people can use the system easily, they spend less time ordering materials, and they can do their jobs more efficiently," he rationalizes, adding that suppliers also appreciate the new system. "Our vendors are happier and are participating in our process because they get paid much faster," says the supply chain operations manager.

For the healthcare provider, the bottom line is being able to better manage their spending. "JAGGAER has allowed us to capture the large portion of our spending that was not being managed," he concludes, adding that it helps with contract compliance and leveraging suppliers. "We're buying the correct items at the correct price from the correct source, under contract," he adds.

Bottom Line Results

- ➔ 97 percent of all purchases under management
- ➔ 100 percent of orthopedic purchases through appropriate channels
- ➔ Happier, more engaged suppliers

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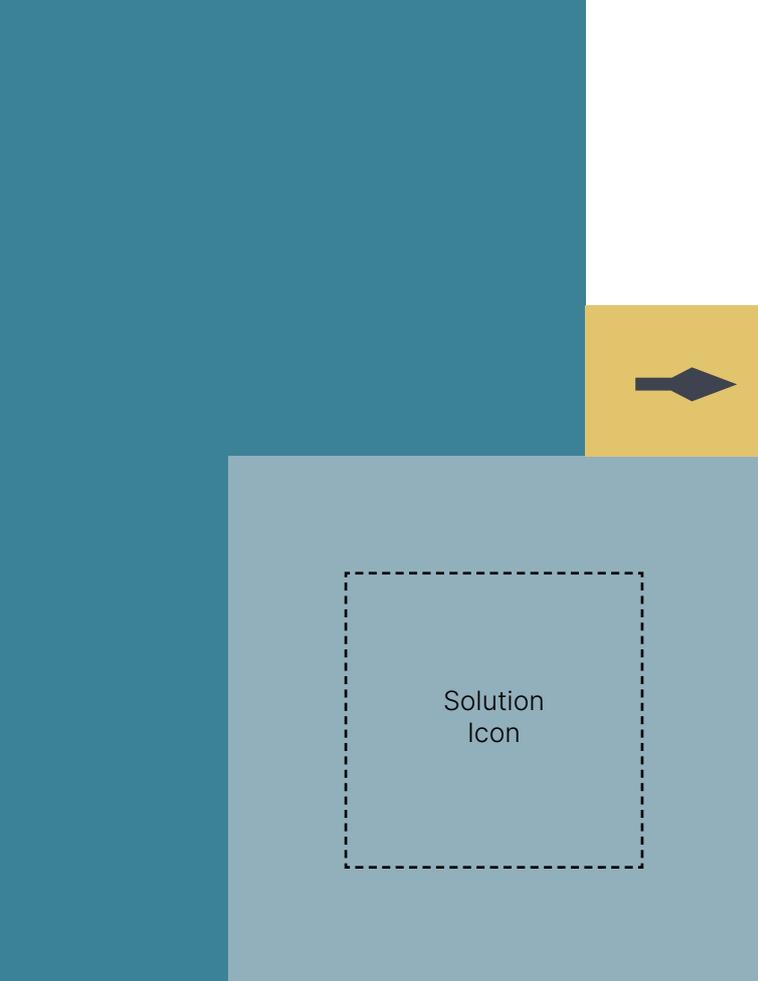
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OPTIONAL PAGE 3

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