



LIFE SCIENCES | EPROCUREMENT

JAGGAER's eProcurement Solution Empowers Fred Hutchinson To Boost Its Fight Against Cancer

Customer Profile

The Fred Hutchinson Cancer Research Center's mission is the elimination of cancer and related diseases as causes of human suffering and death. "Fred Hutch," as the center is often referred to, conducts research of the highest standards to improve prevention and treatment of cancer and related diseases.

Home to three Nobel laureates, interdisciplinary teams of world-renowned scientists at Fred Hutch seek new and innovative ways to prevent, diagnose and treat cancer, HIV/

AIDS and other life-threatening diseases. Fred Hutch's pioneering work in bone marrow transplantation led to the development of immunotherapy, which harnesses the power of the immune system to treat cancer. An independent, nonprofit research institute based in Seattle, Fred Hutch houses the nation's first cancer prevention research program, as well as the clinical coordinating center of the Women's Health Initiative and the international headquarters of the HIV Vaccine Trials Network.

Challenges

In 2009, Fred Hutch was expanding—fast. The research center had just broken ground on a new facility and plans were in place to add two more within the next decade. Alongside this exciting growth was an anxiety in the labs and purchasing department: they knew that their current mode of procurement left much to be desired. Beyond simply being inefficient, the fact was that if they were going to continue to grow and lead the charge toward curing cancer, the way they handled purchasing was unsustainable.

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Mark Burch,
Director of Materials,
Fred Hutchinson Cancer
Research Center



Mark Burch, Director of Materials at the center, sought a solution that could grow with Fred Hutch and would help alleviate the time-consuming processes that were keeping their investigators awash in busywork and distracted from doing what they were there to do—save lives.

Mark had seen this issue firsthand since joining Fred Hutch in 1999. “The process for ordering even a single item, be it a chemical or an office supply, was wildly inefficient,” he said. An investigator who needed something would need to pull out a paper catalog in their lab—hoping it would be up to date—and locate the item they’re looking for, then fill out a three-page paper requisition. They would write down the vendor name, product number and so on, placing the form in an inter-office envelope that then needed to be picked up by a mail delivery service and sent to purchasing. There, someone would sort through a mess of paper requisitions and run each by an authorized

buyer who determined if it was the appropriate vendor for this situation, then that person would have to call the vendor.

But that wasn’t the end of it. On that phone call, the buyer would need to confirm availability and price, then use that information to finish up the requisition paperwork, assign a PO, send it to that vendor and then manually type it into the ERP system. “Then, of course, you’d have to wait six to ten days for the item to arrive.” Burch knew this had to change, and while the organization did try its hand at creating its own technology solution at one point, it quickly learned it did not have the expertise to scale such a system efficiently. The search for a solution provider was on.

But a world-class organization like Fred Hutch doesn’t work with just anybody; the research center seeks partners who “bring the same skills, focus, and energy” on which the center prides itself. Fred Hutch looked for a partner



that would help it have 40 active vendors at the new procurement tool's launch—an ambitious goal, but a crucial one in order to introduce the new purchasing system to the investigators at Fred Hutch, said Burch. “If the system wasn't brought online with all of the content that my internal scientific customers are used to seeing, and didn't have the items they need, their first impression will be that it's not worth their time, and they won't use it.”

Solution

With JAGGAER, Fred Hutch found the exact partner it was looking for in the fight to cure cancer. Not only were there 40 active vendors in JAGGAER's eProcurement solution when it went live, but that number rose to nearly 300 over time, as adding catalogs to the online marketplace that eProcurement enabled is exceptionally easy for the procurement team at Fred Hutch. A majority of those vendors have hosted content in the solution, something the

center is a big proponent of, since it gives the center more control and helps it obtain data on purchasing activities.

eProcurement's data-driven analysis allows for automation features to be properly utilized and spend to be better managed. The tool's data analysis functions were a key point for Fred Hutch when they were looking into solutions: “If you don't have a good guide to take you through the mountains of data a tool produces and find insights that are meaningful to your business, you're wasting time and money,” Burch said. “JAGGAER truly shines in understanding what the customer's needs are in managing their business, and tuning the analysis deck accordingly to help support those activities.”

Since partnering with JAGGAER, Fred Hutch's procurement department has increased volume eightfold—with 20% less of a buyer headcount. As opposed to the old, lengthy procurement

process Burch described above, investigators are now able to pull up the JAGGAER platform and easily order the items they need through eProcurement. With simple tools like keyword searches and favorites lists, it takes just moments to pull up a list of validated, price-negotiated items. From there, a simple checkout will send items to purchasing, in which the ERP converts (on an hourly basis) requisitions to POs and places them in the vendor's fulfillment system.

This has allowed Fred Hutch to convert 72% of requisitions to POs and get them out the door on the same day; plus, another 18% go through on the next day. Such efficiency adds a lot of confidence in the lab, and items are received in one-third the time they used to be—on average, one to three days. Inventory costs have also seen significant reductions—this is the number one cost savings, said Burch—as such a quick turnaround allows scientists to operate closer to a “just-in-time” process and not have to stockpile materials for the next time they need them but can't wait a week or two for delivery, or purchase items for a future need that never arrives.

Beyond cost savings, this improved purchasing system enables something even more crucial: it allows investigators to focus their time and energy on their life-saving work, as opposed to wasting time simply trying to get ahold of the

supplies they need. When an investigator from a large university joined Fred Hutch recently, said Burch, he said that the best thing about joining the center was that he freed up a full hour or even ninety minutes daily that he used to spend managing supplies in the lab. That adds up to an enormous amount of time that can now be put toward the next cancer drug or immunotherapy breakthrough. As Burch puts it, “JAGGAER helps the research team at Fred Hutch get back to the groundbreaking work only they can do.”

Bottom Line Results

- ➡ 85 percent of spend managed in the JAGGAER system.
- ➡ Volume handled grew by eight times to \$480 million in 2017; with 20 percent less buyers on staff, thanks to automation and electronic requisitions.
- ➡ 300 vendors, most with hosted content, live on Fred Hutch shopping portal.
- ➡ Sales that were previously leaking to third-party vendors now routed to primary vendors.

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