

Supply chain strategic evaluation

Maximize your supply chain efficiency with Vizient supply chain operations consulting

Is your supply chain living up to its potential?

Supply chain operations are critical to your organization’s success. Leading health systems leverage supply chain operations to reduce costs, improve customer service and allow clinicians to focus on patient care. This requires an efficient and effective operation focused on resource development and optimization of technology and supply chain processes.

Vizient supply chain strategic evaluation

Our experts compare your supply chain operations to our 200-point compendium of transformative supply chain practices, analyze your continuum to the functional level, and deliver a gap analysis and a roadmap for operational improvement.

Why Vizient?

- Subject matter experts with years of best industry practices behind them
- Extensive analytic capabilities
- A track record of rapid, sustainable savings with improved processes and knowledge transfer
- Ability to provide additional assistance through action planning and implementation support

Assessment objectives

Supply chain maximization begins with an efficiency assessment. Our strategic evaluation details how to maximize your supply chain efficiency while meeting patient needs and aligning with your organization’s goals. Vizient® consultants strategically evaluate people, processes, technology and performance benchmarking across your supply chain operations continuum; conduct on-site interviews; and observe your supply chain processes.

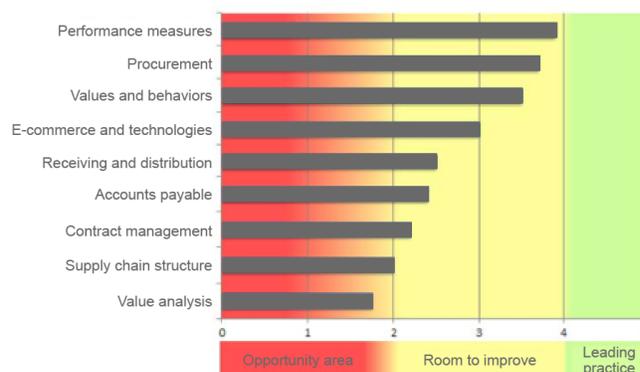
We compare the current state of your operations to industrywide best practices and offer recommendations to optimize the following key supply chain functions:

- Informatics (item master, materials management information systems management, contracting and purchasing analytics)
- Organizational structure (roles and responsibilities)
- Value analysis
- Contracting
- Purchasing
- Accounts payable
- Inventory management (nursing floors and emergency and procedural areas)
- Logistics management (organizationwide supply distribution)
- Customer service (voice of the customer)
- Strategic planning, operational dashboards and metrics development

Sample gap analysis

Compare your organization against benchmark performance levels. The wider the bar, the more effective the supply chain segment

Supply chain operations opportunity analysis



Source: Vizient Opportunity Assessment Dashboard, 2019

Assessment successes

Previous assessments have shown members how to:

- Achieve 80% or higher in electronic requisitioning
- Reduce inventory by \$100,000 or more and increase turns by 25 to 50%
- Increase electronic data interchange connectivity for purchase orders and invoices
- Achieve hundreds of thousands in estimated savings from the entire procure-to-pay cycle
- Identify contract savings opportunities above and beyond the assessment cost
- Implement a high-functioning supply chain that sustains gains made in cost-reduction initiatives
- Rightsize the organizational structure to ensure that supply chain functions are sufficiently supported while providing organizationwide clinical-supply integration

Process steps and deliverables

Our experts hold an initial call with your organization to develop a customized, on-site schedule that addresses your needs. We analyze your structure, performance measures and strategic plans prior to coming on site.

After the on-site assessment, we develop a detailed, executive presentation that includes a gap analysis, observations and recommendations for all supply chain functions, a proposed future organizational structure, and a 12- to 18-month action plan for applying recommended changes.

We also offer implementation assistance to take your newly developed action plan to the finish line.

Supply chain best practice sourcing

Below is a sample contracting gap analysis identifying ways to better manage the contract repository and improve vendor management.

Recommended measurements from previous assessments show you how to unlock the following savings:

Value driver	Typical practice	Leading practice	Savings unlock
Consolidate suppliers	>1,500 suppliers, limited value analysis	<500 suppliers, robust value analysis; >100 medical and surgical categories with single vendor 70% share	3-6% reduction across supply and service expense base
Increase contract compliance	50% of supplies and 5% of services on GPO agreement	>75% of supplies and 50% of services on GPO agreement	1-2% reduction across supply and service expense base
Pay the right price	≥2% overpayment	<0.2% overpayment	0.5-2% reduction across supply and service expense base
Capture payment discounts	Average 25-40 days to match invoices for payment	Average <6 days to match invoices for payment	0.3% reduction across supply and service expense base
Improve inventory performance	~8 turns per year; ~2% write-downs	>12 turns per year; <0.5% write-downs	25% reduction in inventory and associated carrying costs
Improve labor productivity	<5k PO/FTE/year; <15k invoice/FTE/year; limited ability to scale	>10k PO/FTE/year; >35k invoice/FTE/year; adoption of technology and standard work	Up to 50% buyer and 75% AP clerk FTE reductions

GPO = group purchasing organization; PO = purchase order; FTE = full-time equivalent; AP = accounts payable



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As the nation's largest member-driven health care performance improvement company, Vizient provides solutions and services that empower members to deliver high-value care by aligning cost and quality in the critical areas of clinical, operational, and supply chain performance.