

HEALTHCARE CASE STUDY

PRIVATE EQUITY-BACKED HOSPITAL SYSTEM CARVE OUT

The company's previous divestiture heightened the need to build a non-clinical procurement function in order to drive rapid savings, develop standardized policies and processes, and unlock spend visibility.

Based on our "For You" model, we took full control of the client's non-clinical operations, leveraging both our dedicated and shared resources to effectively develop a Best-in-Class procurement function in 36 months.

After the divestiture, this hospital system was left with no sourcing and procurement resources, which posed a significant risk to the business:



Highly decentralized approach to buying and supplier management



Limited sourcing and category management



No standardized sourcing policies and governance structure



Zero investment in non-clinical procurement

PRIVATE EQUITY-BACKED HOSPITAL SYSTEM

ESTIMATED REVENUE	\$8.5B
FTEs	25,000
ADDRESSABLE SPEND	\$500MM

This LogicSource partnership will deliver \$25 million in annual run-rate savings within 36 months by optimizing \$500 million in non-clinical spend.

Our team will collaborate with the hospital system to establish a dedicated non-clinical procurement practice, leveraging pre-built assets for rapid implementation and immediate impact.



CLIENT PROCUREMENT CHALLENGES



Post-Divestiture Operational Restructuring: Navigating a divestiture without the non-clinical sourcing and category management capabilities needed to consolidate spend, centralize management, and drive savings.



Non-Clinical Category Expertise: Focusing on clinical sourcing while lacking the specialized expertise required to manage non-clinical categories effectively.



Underinvested: Operating with limited investment in non-clinical procurement resources and technology based on the size and scale of the business.



Sourcing Policies & Governance Structure: Lacking an established framework for oversight to manage and analyze non-clinical expenditures.



Decentralized Landscape: Operating across 30+ states with over 90 hospitals, resources are prioritized with a patient-first mindset, leaving non-clinical procurement to follow a more tactical approach.

THE LOGICSOURCE SOLUTION



Procurement Transformation: Transformed the limited non-clinical procurement strategic reach to an optimized and scalable center-led structure.



Established Sourcing Policies: Developed a robust spend governance program to validate and capture savings.



Shared Services: Allocated both dedicated and shared resources to effectively manage non-clinical spend and build a centralized sourcing and procurement function.



Project-Based Sourcing: Leveraged our 150+ Center of Excellence resources to provide market intelligence, sourcing execution and analytics support to generate rapid savings.



Source-to-Contract Technology: LogicSource implemented its market-leading Source-to-Contract technology platform, enabling the client to automate critical workflows and processes, thereby rapidly advancing procurement maturity.

Learn more about how we work with health systems to reduce financial pressure and lower costs without impacting patient access to care.

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