

ADDRESSING INEFFICIENCIES IN NON-CLINICAL SPEND: A CHECKLIST FOR HEALTH SYSTEMS

Research shows that **the cost of care has increased 119.2% since 2000**, a worrying trend on top of narrowing operating margins amid today's headwinds driven by supply chain disruptions, production shortages, and inflation. However, if health systems aim to thrive and not just survive, leaders should optimize their non-clinical spend to improve margins without impacting the patient care model.

We've compiled a checklist to assess your readiness to take on these often overlooked categories, along with tips to unlock cost-saving opportunities:



NON-CLINICAL PROCUREMENT CAPABILITIES

- ✓ Do you have specialized procurement experts dedicated to specific non-clinical spend?
- ✓ Does your team have deep experience in non-clinical procurement?
- ✓ Do your department stakeholders have the time to competitively tension spend or perform strategic category analysis?
- ✓ Has your team built good relationships with non-clinical suppliers?
- ✓ Is your team skilled at supplier leveraging and contract negotiation for non-clinical categories?
- ✓ Do you have relevant benchmarks from both within and outside of healthcare?



Pro Tip: Migrating to a centralized and technology-enabled procurement function will drive financial and operational benefits for the organization.



VISIBILITY INTO NON-CLINICAL EXPENDITURES

- ✓ Do you have clear visibility over your non-clinical expenses?
- ✓ Are you able to pinpoint areas of improvement to ease operating margins?
- ✓ Do you have insights into unapproved transactions or sourcing activities from suppliers?
- ✓ How are your data analytics and insights sorted for budgets, contracts, and spending?



Pro Tip: Leveraging spend analytics software brings clarity and visibility into suppliers and spend data while providing insights into the potential cost-cutting opportunities across non-clinical categories.



RIGHT LEVEL OF SPONSORSHIP FOR PROCUREMENT INITIATIVES

- ✓ How would you rate the top-down sponsorship for non-clinical categories in your organization?
- ✓ Does your team source, track, and analyze non-clinical spend categories with the same vigor as clinical goods and services?



Pro Tip: Bringing in a proven, experienced third-party procurement partner can add a disciplined and competitive approach towards non-clinical spend management with the right tech, people, and processes. Consider tapping into a supplier network that extends beyond healthcare to other industry verticals.

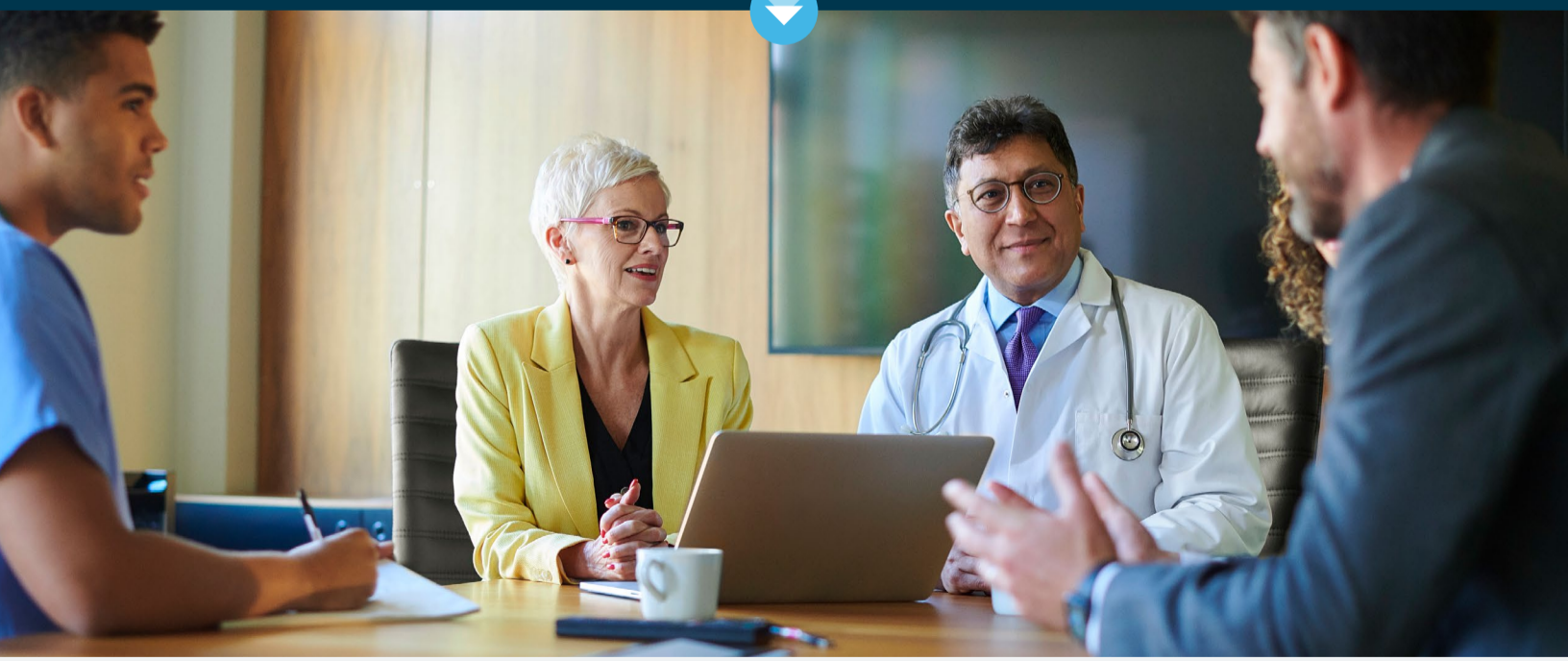


INTERNAL CAPACITY FOR NON-CLINICAL PROCUREMENT TRANSFORMATION

- ✓ Do you have the expertise and workforce to build non-clinical spend management from the ground up?
- ✓ Do you have the budget for investment in technology?
- ✓ Do you have experience and expertise in change management?
- ✓ Can you deliver fast and efficient transformation internally?



Pro Tip: Partnering with an expert provider of procurement services and technology dramatically accelerates the time-to-value for a procurement transformation initiative.



Buy better with LogicSource

Building a non-clinical procurement function that checks all the boxes can be daunting. However, engaging a procurement expert who focuses exclusively on these categories can allow health systems to unlock and leverage significant cost-saving opportunities.

LogicSource is an innovative, execution-based firm centered solely on the sourcing and procurement of non-clinical goods and services.

We've partnered closely with health systems to transform procurement initiatives, driving significant margin improvement through decades of sourcing and procurement expertise, superior market intelligence, cross-portfolio spending leverage, and supported by our OneMarket Source-to-Pay technology platform.

Learn more about optimizing non-clinical expenses in our [whitepaper here](#) or visit logicsource.com/healthcare.

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