



HEALTHCARE CASE STUDY

\$3B+ REGIONAL HEALTH SYSTEM

A customized solution to address non-clinical spend that delivered over \$35MM in annual run-rate savings across multiple complex categories.

A leading regional health system faced decreasing margins as costs outpaced revenues and growth. A changing healthcare landscape with inflationary pressures caused them to examine their total expenditures more closely, focusing on non-clinical

While the spend was “in line” with healthcare trends, they challenged themselves to look outside their industry for best practices, pricing, and additional savings opportunities. Enter LogicSource, one of the nation’s largest retail category spend management firms.

LogicSource (LSI) provided solutions ranging from system and data quality improvements to risk reduction and contractual cost savings across Facilities, HR, IT, Logistics, Marketing, and Purchased Services, resulting in over \$35MM+ in non-clinical Supply Chain savings.

To better serve the health system, the client leveraged LogicSource’s proven cross-portfolio expertise in retail, financial services, and manufacturing to significantly reduce their non-clinical spending.

REGIONAL HEALTH SYSTEM

REVENUE	\$3B+
EMPLOYEES	20,000+
ADDRESSED SPEND	\$527MM
SAVINGS ESTIMATE	\$18MM - \$21MM
SAVINGS DELIVERED	\$35.39MM



The engagement with LogicSource generated \$35.39MM in annual run-rate savings, exceeding the original estimate of \$20MM.

CLIENT PROCUREMENT CHALLENGES



Insufficient Sourcing and Category Management Capability: The supply chain team is recognized as clinical-cost-focused with limited indirect spend category expertise. There is a lack of sufficient resource support for \$527MM in spend.



Tactical/Reactive Approach to Sourcing: Contract administrators undertake predominantly tactical support work with limited execution of strategic initiatives.



Lack of Should-Cost Analysis: Limited medical industry benchmarking for their non-clinical spend and lack of overall cross-industry market intelligence to drive best-in-class pricing.



Suboptimal Procurement Technology: Multiple disparate tools and systems cause administrative inefficiencies and time-consuming workarounds.

THE LOGICSOURCE SOLUTION



Corporate Services Record Retention Evaluation: Evaluation of long-term suppliers in records retention led to the discovery that the client was not informed by the supplier of new, lower contract costs. LSI moved the client to the new contract opportunity, resulting in over 40% savings.



IT Evaluation and Audit: Through a partnership with the client, LSI optimized the ERP System-wide agreement, resulting in over \$35MM in savings over the contract's life.



Consolidation of Media Spend: Using proprietary market intelligence, LSI was able to yield an annualized \$300K savings through strong contract negotiations and reduce client risk by moving suppliers onto client legal contract paper.



Implementation of OneMarket Portfolio®: Implementation of OneMarket Portfolio® Use of project management solution centralized projects, statuses, forecast-to-realized savings, and provided client insight to all active and future LSI projects, improving client strategic operations and capital planning.

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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