

Prodigo Solutions Improves UPMC Procurement Efficiencies and On-Contract Purchases

As an integrated delivery and finance system, UPMC's supply chain must serve more than 30 hospitals, hundreds of physician practices and outpatient clinics, and the largest health insurer in Western Pennsylvania. Altogether, the system has more than 80,000 employees.

As you can imagine, managing efficient ordering for tens of thousands of employees takes coordination, not just for UPMC, but also among manufacturers, distribution networks, and group purchasing organizations. Without a specific solution in place, UPMC began identifying issues, ranging from orders purchased from off-contract vendors to staff ordering items in small increments and missing bulk discounts, that easily added up to millions of dollars in lost savings.

UPMC knew that it needed a solution that would afford users a single interface to connect to supplier-hosted and maintained web catalogs.



The Solution - Marketplace

Designed in partnership with UPMC, Marketplace is a virtual e-commerce solution that helps organizations maximize and sustain cost savings throughout the health care supply chain. The web-based software allows organizations to drive contract utilization at the point of requisition, ensuring that the right items are being purchased from the right vendors at the right price.

Marketplace offered UPMC employees an improved user experience focused on content. Rather than having to search static catalogs or "punch out" to explore an individual supplier website, users could now take a consumer-like, familiar approach to search the most up-to-date offerings from suppliers. And, because this was all done within the parameters of a controlled environment that enforced UPMC's business rules, compliance and negotiated corporate agreements were already considered.

Seeing Results

Since implementing Marketplace, a process that took just a few weeks, UPMC has seen extraordinary results. Not only did the technology streamline the process for employees by enabling them to conduct cross-catalog searches of all supplier sites, it also eliminated a large percentage of special requests by requiring users to first search the marketplace to fulfill their need.

Thanks to Prodigo, UPMC has realized \$3 million in annualized hard-dollar savings. This savings comes from a 40 percent increase in contract compliance, the ability to fully automate 63 percent of all purchase orders, and a 40 percent reduction in special requests.

Marketplace also has improved overall efficiency. Through the software, employees can now find what they want, compare product attributes, and fill their shopping carts all in about one-third of the time it previously took to complete an order.





prodigosolutions.com

Company Focus: **Full Suite of Supply Chain Solutions and Services**

Headquarters: **Cranberry Township, PA**

Year Founded: **2008**

Prodigo Solutions saves Providers tens of millions in health care supply chain costs by improving contract compliance.

Our solutions improve financial margins for health systems and add control to their supply chain by driving users to buy the right product, from the right source, at the right price. We utilize a plug-and-play technology that integrates with established ERP/MMIS systems or operates independently if an ERP/MMIS system isn't in place.

Trusted by:

- 25% of the Nation's top 20 largest IDNs
- 40% of Gartner's top healthcare supply chain hospitals
- 40% of U.S. News & World Report top 10 children's hospitals
- 40% of U.S. News & World Report top 10 hospitals



Reduce special requests by more than 50 percent, and yield nearly 50 percent reduction in the cost to process PO's due to increased automation + accuracy



Ensure that over 80 percent of purchased items come from the supply chain designated contract source, and recover an additional 2 percent or more in lost rebate dollars



Spend 30 percent less time placing orders with improved price accuracy at the point of requisition, and generate a 2-3 percent improvement in supply chain costs

Costs savings through contract compliance

A typical hospital spends 20 percent of their net patient revenue on supply chain. Less than 65 percent of that spend is actually on contract, and more than 20 percent is overcharged by at least 5 percent. This means that less than 40 percent of negotiated contract savings are being realized across the term of the contract. Bottom line - your supply chain should be driving your financial health. Let us help drive compliance and generate savings.

At Prodigo Solutions, the equation is simple:

Contract Utilization leads to Contract Compliance which leads to millions in hard-dollar savings!