

Better Efficiency and Lower Costs

Owens & Minor Expanded Access™ Standardization Proves to be a Win-Win for Prominent West Coast Academic Medical Center

Large university medical centers often get supplies from a range of manufacturers. These purchasing decisions can be based on varied contracts, departments and product availability. Naturally, the top priority is ensuring the facility has everything necessary to provide patient care—but sometimes, opportunities for efficiencies and cost savings get lost in the supply chain process.

A prominent West Coast Academic Medical Center knew that by streamlining their supplies they could ultimately save time and cost, and ensure a more strategic supply chain. That’s why they chose Owens & Minor Expanded Access™ Standardization.

The Owens & Minor Expanded Access Standardization offering involves identifying opportunities to bring direct-from-manufacturer purchases through the Owens & Minor distribution channel, offering one of the widest selections of suppliers and products in the industry. By aggregating fragmented purchasing activity, Owens & Minor aims to save customers time and money they can devote to what’s most important—patient care.

GATHERING THE FACTS

When Owens & Minor began working with the Academic Medical Center on standardizing their supply, the first step was to gather data to understand their current purchasing trends and processes. Using the most recent 3-6 months of purchase data, Owens & Minor identified which suppliers and products were eligible to procure through the Owens & Minor supply chain.

The result? The audit identified over \$10 million of product that could be sourced through the Owens & Minor channel. The initial focus was on products identified as priorities, representing \$5 million. The target products were segmented across logical subgroups. During value analysis meetings, select groups of products were presented for consideration and approval. Once approved, the Owens & Minor team worked with the customer to convert the products through the local distribution center and to ensure contracts, pricing and usage were loaded for all of the items.

STANDARDIZING FOR GOOD

For the Academic Medical Center, Expanded Access Standardization led to cost savings and added convenience across the board. To date, \$1 million of the initially identified product is now being purchased through the Owens & Minor channel, which has led to 3% savings in operational expenses.



RESULTS AT A GLANCE

✓ **\$5M+**
Total savings presented

✓ **\$1M+**
Converted through distribution

✓ **3%**
Reduction in operating expense

✓ **7%**
More SKUs managed through distribution

Because they no longer have to manage as many SKUs outside of distribution, the team has been able to streamline touchpoints in accounting, receiving, procurement, materials management and more. The customer saw a significant reduction in the number of trucks that were delivering direct-from-manufacturer products to the hospitals. The delivery process was streamlined, providing more products in a single delivery, reducing the number of purchase orders while also increasing the number of lines.

According to the Director of Procurement & Strategic Sourcing, Expanded Access Standardization has made the whole purchasing process infinitely more convenient and cost-effective, even with something as simple as how purchase orders are delivered.

“ We try to push as much as we can through Owens & Minor distribution, because of the efficiencies it creates for our logistics team. Expanded Access has allowed us to move more through Owens & Minor and reduce our need to create separate purchase orders directly to vendors. ”

Director of Procurement & Strategic Sourcing,
Prominent West Coast Academic Medical Center

And it's not just ease of tracking that makes Owens & Minor Expanded Access™ Standardization a win for the Academic Medical Center. Owens & Minor's Logical Unit of Measure (LUM) Solutions helped reduce on-site inventory. With a ten-trucks-a-day delivery schedule, the customer now orders products in the quantities that best meet their clinical and operational needs across the entire health system.

Customized “u-boats” and totes are used to quickly and easily distribute product throughout the health system. These u-boats are equipped with license plates that direct the ultimate location of each, making deliveries more efficient. The totes are then opened and product is placed on the shelf, ready to be used by the clinician. With these advances, the customer was able to also reallocate space in the storerooms for additional revenue generation and minimize product expiration.

Owens & Minor worked with the Academic Medical Center to implement an approved list with product substitutions for use within the health system. As a result, when a product experiences a supply disruption, the customer is able to proactively order an already-approved substitution, which allows them to continue providing uninterrupted patient care. The Academic Medical Center has benefited from high service levels as well, reaching a fill rate of 98.5%.

Today, the Academic Medical Center continues to partner with Owens & Minor on Expanded Access Standardization and LUM to reach its essential benchmark: providing the time and cost savings that empower healthcare professionals to focus on healthcare instead of supply chain maintenance.

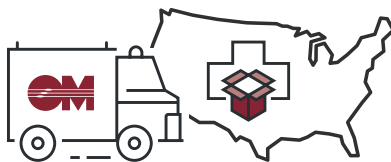


OWENS & MINOR SUPPORT BY THE NUMBERS

- ✓ **10**
Trucks servicing with same-day delivery
- ✓ **6**
On-site staff
- ✓ **17**
Client engagement teammates
- ✓ **98.5%**
Adjusted service level

LUM BY THE NUMBERS

- ✓ **88.5%**
Penetration
- ✓ **1M+**
Total lines
- ✓ **1.4M+**
Lines shipped per year
- ✓ **120K+**
Orders per year
- ✓ **692**
Locations



TAKING THE NEXT STEP

Ready to streamline your supply chain? To learn more about how we can help you optimize your purchasing power and maximize value through distribution, contact omlearnmore@owens-minor.com or **1-866-935-0798**.

To learn how our distribution, products and services can help bring greater efficiencies and profitability to your supply chain, contact omlearnmore@owens-minor.com or 1-866-935-0798.



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