

Success Story

Applying an integrated and comprehensive approach to supply chain to supply chain cost reduction

BACKGROUND

WHEATON FRANCISCAN HEALTHCARE SOUTHEAST, WI

Wheaton Franciscan Healthcare (Wheaton), an organization with over a century of caregiving experience in Southeast Wisconsin, collaborated with The Resource Group to improve its non-payroll cost structure and enhance its regional supply chain strategy. Previously, Wheaton associated with a national group purchasing organization (GPO) and practiced self-contracting through physician collaboration.

Joining The Resource Group allowed Wheaton to further reduce expenses through integration of national logistics processes, implementation of The Resource Group's contract portfolio across 90% of all non-payroll spend, and application of efficient operational practices throughout the entire system.

OPPORTUNITY

Desiring a comprehensive solution, Wheaton sought a regionally integrated approach to supply chain that would deliver sustainable value.

SOLUTION

The Resource Group developed a multi-faceted approach to ensure a successful integration with Wheaton. This included:

- Implementing The Resource Group's current contract portfolio
- Consolidating and eliminating excessive and unnecessary contracts
- Placement of an embedded, on-site, permanent team that focuses on change management, analytics, and caregiver engagement

Through participation with The Resource Group, Wheaton was able to meticulously identify, convert, and implement 468 agreements within 120 days, saving the system \$6.2M in annual supply expense. More importantly, Wheaton was able to reach their goal of streamlining operations and logistics, reducing non-payroll expenses, and leveraging proven supply chain strategies through a sustainable integration of seven hospitals, three senior living facilities, and 64 clinics.

The Resource Group implemented **\$2.5M** in annual savings during the **first 45 days** of the engagement.



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PROCESS

1

END-USER ENGAGEMENT

- Senior leadership
- Physicians
- Clinicians
- End-Users

2

CONTRACT DESIGN

- Analyze current contract portfolio
- Aggregate business and reduce vendor variation
- Prioritize opportunities based on impact and savings

3

NEGOTIATION

- Request immediate price reductions
- Conduct competitive RFP and negotiations
- Utilize The Resource Group's national contracts

4

IMPLEMENTATION

- Provide project management services
- Track implementation through work plans and reports
- Establish protocols for signature authority
- Audit pricing and utilization

5

MEASUREMENT

- Track savings impact
- Conduct year-over-year spend analysis

RESULTS



\$6.2M
In annual savings



\$146.4M
Analyzed annual spend



493
Agreements converted



\$140.2M
Projected annual spend

"We started working with The Resource Group during our Epic go-live. Doing both projects simultaneously seemed like an impossible task, but The Resource Group came in with a team of professional experts to support the conversion work. While a GPO conversion is a large, complex task that takes many organizations months or years to finish, we started converting contracts almost immediately and in a matter of three months we had completed 90% of the analytics and were converting the remaining contracts to The Resource Group."

Joe Volpe,
VP, Supply Chain, Wheaton Franciscan Healthcare



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