

Saving millions in months

Through **aptitude**®, Memorial Hermann discovers a faster path to cost reduction.

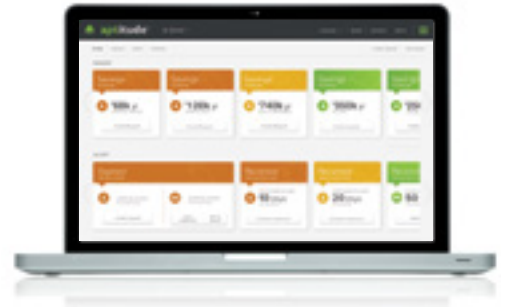
Managing the supply chain of the largest not-for-profit health care system in Southwest Texas is a big job. Seven people oversee \$880 million in purchasing, handling hundreds of supplier relationships and thousands of individual tasks.

For years, much of the contracting process – from creating requests for proposals (RFPs) to executing the final deals – was done manually, consuming a large chunk of the supply chain team’s time. Often, completing and executing a complex RFP could take six months to a year.

Facing financial pressures and time constraints, the team at Memorial Hermann Health System (MHHS) wanted to explore new ways to expedite savings and boost the bottom line. At the same time, they wanted to increase the efficiency of their contracting efforts so they could make the most of their time.

Using **aptitude** helped the system achieve both goals. “We were able to push more initiatives, in more categories, faster while reducing costs,” said Chris Toomes, MHHS Supply Chain Associate Vice President. In only five months, the team achieved \$1.7 million in savings. An additional \$3 million in RFPs is now in the pipeline on the **aptitude** platform.

“It really has been a lifesaver for us,” said Kristine Sanks, MHHS Supply Chain Contract Director. “Because of the volume of work, throughput is a big priority. Anything that we can, we are now pushing through **aptitude**, because it’s so easy and automated.”



“With some contracts we have opted for conversions and with others we have stayed with the same supplier, but in all instances, when contracting through **aptitude**, we save money.”

Chris Toomes

Associate Vice President
Supply Chain and Sterile Processing
Memorial Hermann

Memorial Hermann | Houston, Texas

For more than a century, Memorial Hermann has served the Greater Houston area with exceptional health care. Today, the integrated system has 16 hospitals and provides numerous specialty programs and services. Memorial Hermann-Texas Medical Center is one of the nation’s busiest Level I trauma centers and the primary teaching hospital for McGovern Medical School at UTHealth. The system’s 5,500 affiliated physicians and 24,000 employees practice evidence-based medicine with a focus on quality and patient safety. Their combined efforts result in ongoing national awards and recognition.

“What used to take six months to a year now takes weeks, or even days. We can turn contracts around in as little as 48 hours.”

Kristine Sanks

Supply Chain Contract Director
Memorial Hermann

A simpler path to savings

Thanks to the benchmarking data available from **aptitude**, the team is able to quickly identify ripe opportunities for cost savings. They create a master pipeline of supply categories that have potential, then review the list with the clinical research managers at Memorial Hermann.

“After our conversations with clinicians, we use **aptitude** to streamline the process and push the contracts through,” Sanks said. “We rely on **aptitude** for accurate pricing information, which really helps when we negotiate with vendors.”

In addition, **aptitude** helps the supply chain team simplify operations by reducing the number of vendors they manage. “In one case, we shifted the market share to a single supplier, where before we had eight,” she said. “We get real savings and also develop strategic partnerships with key suppliers.”

The team also saved more than \$470,000 on two orthobiologics contracts through the Musculoskeletal Transplant Foundation. “With some contracts we have opted for conversions and with others we have stayed with the same supplier, but in all instances, when contracting through **aptitude**, we save money,” Toomes said.

It's about time

Through **aptitude**, Memorial Hermann has greatly reduced the time necessary to create RFPs, compare offerings from different suppliers and implement contracts. “What used to take six months

to a year now takes weeks, or even days,” Sanks said. “We can turn contracts around in as little as 48 hours.”

As a result, the staff can focus on initiatives that have the potential for larger savings, such as physician preference items. Working closely with clinical research managers, physicians and nurses, the team looks closely at the data – from patient outcomes to costs – to find the best solutions for both the hospital and the patients.

“When you aren't getting bogged down with everyday tasks, you're free to focus on things beyond crutches and bandages and tackle the more complex elements of the supply chain,” she said. “We're now working on getting bigger categories like heart valves, advanced wound care and trauma products into the pipeline.”

A dedicated, onsite resource

To get even more benefits from the technology, Sam Roberts – a portfolio administrator with **aptitude** – was brought on board to work with the supply chain team daily. “He has been unbelievable,” said Sanks. “Having that onsite resource for us is what really pushes the results to another level and makes our use of **aptitude** so successful.”

She feels that Roberts assists the contracting process in multiple areas, including throughput, communication and efficiency. “When our clinicians have questions, he can walk them through the information and provide immediate answers,” she said.

About aptitude

Launched as a contracting market in 2013, **aptitude** reduces the cost of healthcare and accelerates strategic supply chain partnerships by allowing providers and suppliers to identify opportunities, streamline execution and improve performance.

Being onsite also helps Roberts stay connected to the supply chain team and aligned with their organizational strategy. “They can bring me an idea, and I'll be there to help them identify ways we can execute it,” he said. “I can show them exactly how each decision will impact the business and help them achieve the cost savings they need, efficiently and effectively.”

Roberts' experience in supply chain management gives him an awareness of the obstacles faced by the hospital system, the individual facilities and the suppliers.

“Ultimately, it's about getting the right products to the right places at the right price,” Roberts said. “Building relationships and trust gives me a foundation to bring everyone together. Then, I can monitor contracts to ensure that commitments are being met and the facilities are maintaining market-relevant pricing.”

After only six months of use, **aptitude** has become a primary contracting resource at Memorial Hermann.

“From start to finish, **aptitude** makes contracting easier and more productive,” Sanks said.



/aptitude-LLC



@aptitudeLLC



/aptitudeLLC

Want to learn more? Contact us today! | ask@aptitude.com