



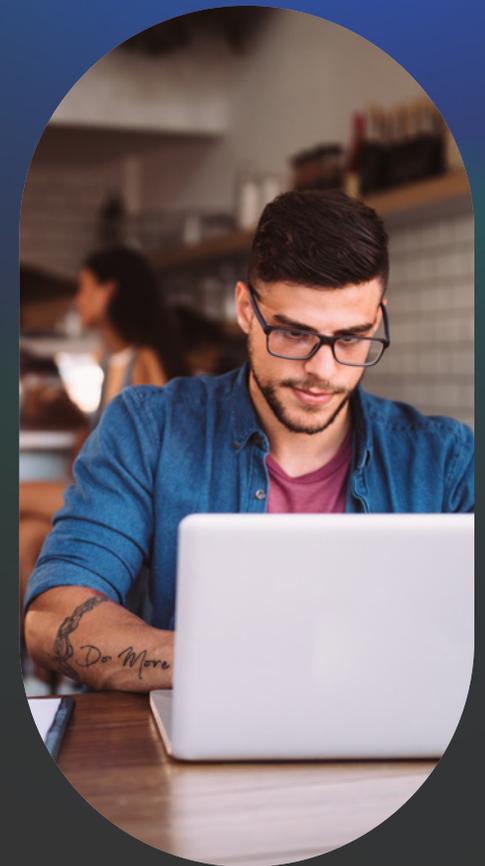
Cost Savings Calls for a United Front

Insights and Tips from Clinicians
and Supply Chain Leaders for 2024

HOSPITAL SUPPLY CHAIN SURVEY

EBOOK

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With increased financial pressure on supply chains, it is imperative that health systems move toward a **data-driven** and **strategically united** clinical approach to supply chain operations to achieve aggressive goals.”

Dee Donatelli, RN, BSN, MBA

AHRMM’s 2023 George R. Gossett Leadership Award recipient

AHVAP’s 2022 Brooke Berson Founder’s Award recipient

Senior Director, Spend Management

SYMPLR

EXECUTIVE SUMMARY

Supply chain teams are committed to protecting spend while ensuring providers have the necessary tools to produce optimal outcomes. Yet, like most healthcare functions, supply chain teams in recent years have faced immense pressure, exacerbated by pandemic issues.

Leaders must navigate reactive processes, such as **product shortages, backorders, contract complexities, and inflation**, all while being charged to decrease costs, standardize processes, and align diverse stakeholders with fewer resources.

With sustained financial pressure and resource constraints on supply chains, health systems **must move forward with a united, strategic approach to supply chain operations** to achieve aggressive goals while aligning functions.

To better understand healthcare supply chain leaders' biggest roadblocks and priorities, a State of Healthcare Supply Chain Survey¹ was conducted with supply chain leaders across health systems and hospitals in the U.S.

Continue reading to learn about the top challenges and priorities as well as recommendations from clinical and supply chain experts.



Supply Chain **Under Pressure**





Current Challenges in Supply Chain Operations

In our survey, nearly 100 supply chain leaders shared their top challenges and opportunities for improvement within supply chain operations.

Financial Pressures

On average, margin pressures were noted as the top challenge for supply chain teams.

Inconsistent Processes

A lack of governance and standardization across supply chain activities can cause friction and stall the successful execution of supply chain priorities. Organizations must unite processes to drive standardization and education.

Staffing and Resourcing

Teams must do more with less while taking on additional responsibility with fewer resources.

Spending Under Fire

On average, survey respondents reported margin pressures as their top supply chain challenge over the past 12 months.

Similarly, 63% reported that cost savings was their organization's top priority for supply chain in 2024.

57% reported that each service line/clinical area within their organization is currently required to meet an annual savings target, and 19% said they do not at this time, but this is a priority for 2024.

63%

reported that
**cost savings was their
organization's top priority**
for supply chain in 2024.

THE COST...

if financial transparency is not addressed?

While the charge to cut costs across the supply chain is clear, significant barriers to achieving costs savings remain with a lack of transparency into comparative financial data, representing a roadblock to strategic decision-making.



Data is no longer a competitive advantage, it's how you're analyzing what you're doing with the data. That's the next big improvement opportunity."

– SUPPLY CHAIN SURVEY PARTICIPANT

1 in 4

Are very confident their GPO pricing is competitive.

15%

Are very confident their purchased services costs are competitive to their peers in the marketplace.

64%

Are only somewhat confident their organization has the data necessary to make accurate capital budgets.

Savings: Where's the Proof?

While cost savings were identified as supply chain's top priority, only 50% of respondents reported partial confidence that their organization is accurately tracking savings targets associated with their capital and operational budget.

Without regular tracking and communication of savings targets, benchmarking, improvement, and team motivation become challenging and can hinder progress towards strategic goals.

To march forward together, garner support, and advocate for supply chain teams, leaders must work towards accurate target tracking. Amidst current financial realities, financial leadership teams are pressed to quickly forecast, requiring a new level of visibility and collaboration between supply chain and leadership.

50%

are only
somewhat confident
their organization is
accurately tracking
savings targets.

THE COST...

of misaligned stakeholders?

48% reported that the most significant barrier to evidence-based decision-making at their organizations was stakeholders having different priorities and operating in silos.

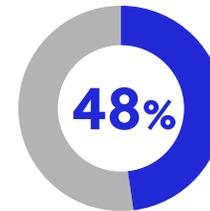
Meanwhile, only 28% said they are very confident they have a unified approach to new product evaluation and introduction across their organization.



Evidence-based decision-making is the backbone of supply chain activities and a fundamental process to achieve cost savings."

– SUPPLY CHAIN SURVEY PARTICIPANT

Most significant **barrier to evidence-based decision-making** today?



reported stakeholders have different priorities and operate in silos.

Less than

1 in 3

are confident they have a unified approach to new product evaluation and introduction across their organization.



Health systems must critically look at their interdepartmental structure. There must be a governance structure where education, supply chain, clinicians, etc. have representation and a clear voice. This works mutually - **clinical professionals must be embedded in the supply chain structure and vice versa.** We simply cannot afford to operate in silos anymore. The financial and clinical impacts are too catastrophic.

Karlene Kerfoot, PhD, RN, FAAN

DAISY Foundation Lifetime Achievement Award recipient

Chief Nursing Officer

SYMPLR

THE COST...

of misalignment

Only 19% responded they are very confident their physicians/clinicians are supportive of supply chain activities.

From new product decisions to standardization initiatives, evidence-based decision-making is at stake when clinicians and supply chain teams aren't operating in unison. Not only does a lack of alignment threaten relational dynamics in health systems, but costs are directly impacted as stakeholders fail to come to the table to make value-based decisions.



Stakeholders are starting to realize the difference between the nice-to-haves and what's essential. In contracts and sourcing, we can't make those decisions ourselves – we need the operational owners to be part of that decision."

– SUPPLY CHAIN SURVEY PARTICIPANT

19%

are **very confident**
their physicians/clinicians
are supportive of
supply chain activities.



Particularly outside the OR, there is still a lack of knowledge about evidence-based supply chain. **There needs to continue to be a culture shift, coming from the top, that prioritizes education** so that physicians understand the crucial goals of supply chain and protect margins while still prioritizing outcomes. Physicians and clinicians, supply chain, and even medical reps now are having to prove outcomes."

Angel Mena, MD

Internal Medicine Residency Program Director

TRIHEALTH

Chief Medical Officer

SYMPLR

THE URGENCY...

of investing in strategy.

Top of mind for supply chain leaders, 24% responded that investing in strategy is their organization's top priority for supply chain in 2024. Supply chain teams have suffered a long period of pandemic-fueled, time-consuming challenges, such as product shortages and backorders that arise daily, consuming supply chain teams' finite resources and bandwidth.

Cutting costs requires a refocus, where teams are equipped to get out of the weeds and focus their energies on strategic initiatives that make meaningful impacts on the bottom line.

24%

say their **top supply chain priority is putting resources back into strategy** in 2024.



With bandwidth challenges stemming from the pandemic, we're still struggling to find time to focus on the right strategic things. Half of our staff is just focused on day-to-day transactional work and can't even get to any strategic work."

– SUPPLY CHAIN SURVEY PARTICIPANT

THE COST...

of finite resources.

While many supply chains have restored staffing numbers to pre-pandemic levels, resourcing continues to be a critical priority as supply chain teams take on additional responsibility in healthcare operations.

Pandemic impacts and continued mergers and acquisitions may also be contributing to this growing scope of work, but the role of supply chain leaders has evolved significantly beyond just sourcing supplies.

Where procurement was once the priority, the focus has shifted to leveraging data insights that improve care quality and impact the bottom line. The core responsibilities will continue changing as supply chain leaders adapt to meet healthcare's emerging needs.

1 in 3

say their supply chain team is not fully staffed to pre-pandemic levels.



The bandwidth is really thin right now for everyone. They're covering multiple service lines and multiple layers of work that were other team members' responsibilities before. We're growing and acquired a new hospital, and with that, came more contracts, but the number of people working on them didn't grow."

– SUPPLY CHAIN SURVEY PARTICIPANT

Our Experts Weigh-In



“When I was a young physician coming into the medical field, I was unaware of the comprehensive and robust mechanisms we have in place for supply chain and how that impacts the clinical world. In our residency program now, we’ve started integrating financial education in the curriculum, which didn’t exist two years ago. At the end of the day, all roads lead to outcomes.”

Angel Mena, MD

Internal Medicine Residency Program Director, TriHealth
Chief Medical Officer, symplr



“Supply chain professionals require more than just pricing data; they need tools that offer contract analysis and objective current industry benchmarks. This ensures everyone in the organization is on board to make informed decisions for smart savings strategies.”

Dawn Plimmer

Director, Purchased Services, symplr



“Optimizing your supply chain requires a vast array of strategies, data components, and levers, which are different for each type of spend and each category. It is key to create a playbook of repeatable strategies within your organization. ”

Brandon Baca

Director, Spend Management, symplr



“Keep in mind that the low-hanging fruit tend to grow back. Just because your team worked a category in the recent past doesn’t mean there aren’t opportunities for cost reduction or taking a fresh look.”

Eric Slimp

Director, Spend Management, symplr



“In healthcare supply chain, value is more than just cost; it’s the synergy of affordability, quality, and desired outcomes. By prioritizing defined processes, clinical input, and evidence-based decisions, we navigate towards optimal value, recognizing that the cheapest option may not always ensure the best patient care. ”

Ashley Brand

Senior Manager Evidence Research, symplr

Recommendations to **Optimize Supply Chain Operations**

To build a culture of financial stewardship and optimize operations, healthcare supply chain leadership should consider the following:



Unite Stakeholders

Leveraging unbiased data, support from leadership, and collaborative workflows, prioritize collaboration between diverse stakeholders to create a united front for evidence-based decision-making.



Leverage Technology

Using automated technology to accelerate supply chain workflows, processes, and reporting, from value analysis and vendor credentialing to capital benchmarking and contracting processes, can transform manual work and remove guessing from decision-making.

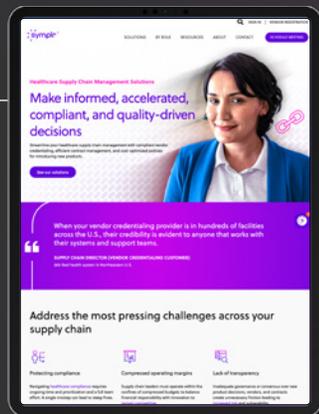


Focus on Strategy

By reducing manual processes and leveraging meaningful data, free up your supply chain teams to get back to strategic initiatives that make a lasting impact on hospital operations.

CONCLUSION

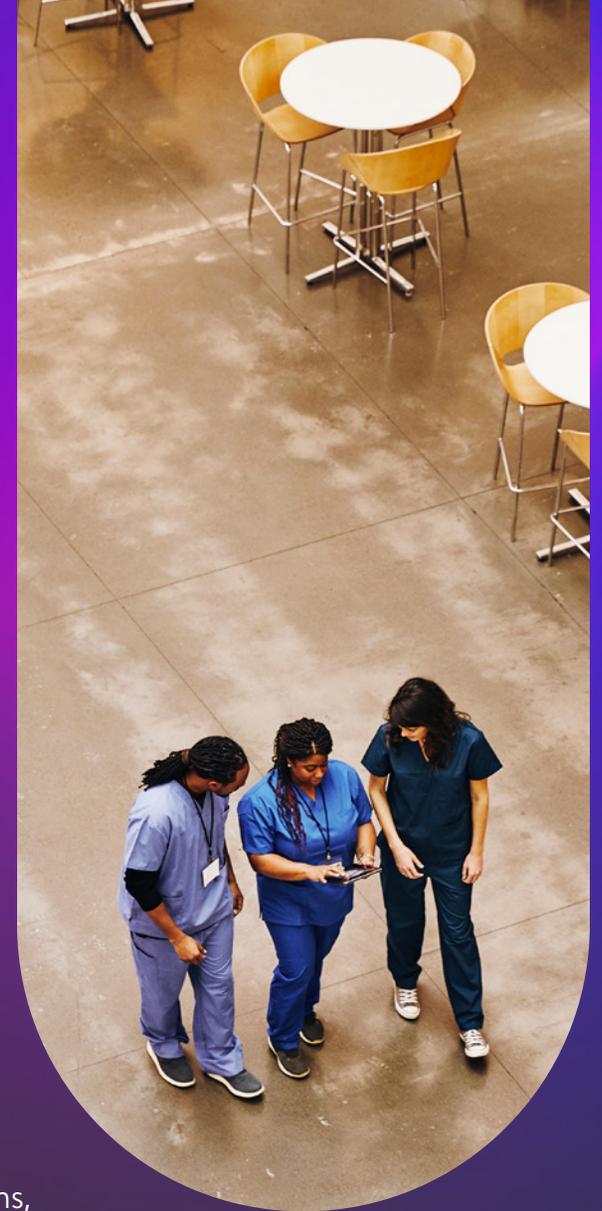
Transforming supply chain operations is critical to respond to the complex challenges of the current and future healthcare landscape. It requires all stakeholders to act on a vision of collaborative financial stewardship by equipping supply chain teams with better tools, technology, and resources that not only lightens their load, but also streamlines the evidence-based decision-making process so teams are elevated above managing daily fires to make strategic contributions.



Your Partner in Supply Chain Operations

Reimagine vendor credentialing, value analysis workflows, capital benchmarking, purchased services, contract negotiations, RFPs, contract lifecycle management, and more with symplr's, Contract and Supplier Management solutions harnessing the power of automated software.

› [Learn more at symplr.com](https://www.symplr.com)



¹ **“State of Healthcare Supply Chain Survey.”**
symplr. Q4, 2023.

² **“Budget impact projections report.”**
Vizient. July, 2023.

³ **Live audience poll, “What Supply Chain Leaders Need in 2024.”**
symplr. February 13, 2024.

⁴ **“Healthcare Operations 2023: Addressing Operational Challenges through Technology.”**
KLAS Research. August 1, 2023.



symplr is the leader in enterprise healthcare operations software and services. For more than 30 years and with deployments in 9 of 10 U.S. hospitals, symplr has been committed to improving healthcare operations through its cloud-based solutions, driving better operations for better outcomes.

Our provider data management, workforce management, and healthcare governance, risk management, and compliance (GRC) solutions improve the efficiency and efficacy of healthcare operations, enabling caregivers to quickly handle administrative tasks so they have more time to do what they do best: provide high-quality patient care.

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