

CASE STUDY: CURRENTLY OUTSOURCED TO TWO SUPPLIERS

► SITUATION:

A large New York hospital had recently utilized a third-party to bid out their equipment service portfolio for most of their imaging equipment. While they realized some savings, the bid did not address all of their service-related issues. Devices were omitted, leaving executives unfulfilled with the process.



CHALLENGES:

- The equipment service management responsibility was internally transferred to a young IT leader, not all familiar with equipment service matters. He inherited:
 - An outsourced biomedical program with nearly 10,000 biomedical devices; only a third with full coverage.
 - Stakeholders dissatisfied with communication regarding repair status.
 - Various imaging OEM contracts with various entitlements and expirations.

OTHER QUICK FACTS:

- It had been decades since the inventory had been right-sized.
- The outsourced biomed contract still had more than a year left.
- All stakeholders negotiated their own contracts.
- Supply Chain was typically included too late in negotiation process.

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► SOLUTION:

Hired ESP to develop a transparent process that included all major stakeholders. All devices were grouped by specialty, and strategies were deployed immediately. A customized RFP was written and launched asking for a fresh inventory, comprehensive coverage for all items, and relief from existing service commitments from existing suppliers.



► RESULTS:

With ESP guidance, the hospital was introduced to seven companies, which challenged the two most significant suppliers that enjoyed the largest share of service dollars at the hospital. The competitive and transparent process drove double-digit savings and additional service contract entitlements, without having to change service partners. Long-term relationships were leveraged, but expanded with more devices and responsibilities added in exchange for value for the hospital.

For more information about ESP Global services, call us at 888-404-4377.