Optimé
Supply Chain

Henry Ford Health System

Client:	Henry Ford Health System
Goal:	Implement a supply chain solution with greater functionality and integration across entire organization
Solution:	SmartSOURCE™ Strategic sourcing workflow
Results:	**4% cost savings** (annual supply and purchased services) due to improved data insight
	15:1 return per labor dollar spent; budget freed for adding strategic sourcing staff

The Challenge

Henry Ford Health System (HFHS), based in Michigan, is one of the nation's leading comprehensive, integrated health systems. It provides health insurance and health care delivery, including acute, specialty, primary and preventive care services backed by excellence in research and education. Founded in 1915 by auto pioneer Henry Ford, HFHS is comprised of five hospitals, 29 medical centers and one of the nation's largest group practices, the Henry Ford Medical Group, with more than 1,200 physicians in over 40 specialties. HFHS wanted to implement a supply chain solution that would offer more functionality and integration, from tracking new agreements to measuring financial results and capturing all of the interrelated processes of contract review and

implementation. To aid the health system in this endeavor, HFHS engaged Optimé Supply Chain and partnered in the development of SmartSOURCE, a comprehensive strategic sourcing workflow management application. A large part of the project involved facilitating the management of contracts, a challenge for supply chain organizations across the country.

"This solution brings structure to an often unstructured process."

The Solution

The SmartSOURCE application provides HFHS with strategic sourcing workflow and project savings tracking through project status monitoring and savings reporting technology. In addition to allowing the health system to document and quantify on a more routine basis with a full view of the entire contract cycle, SmartSOURCE gives HFHS the functionality to develop a method to work with each individual in the organization while adding tracking performance to that capability. According to James O'Connor, Vice President of Supply Chain Management for HFHS, "Using SmartSOURCE, we know what has been completed, what is in process and on what is going to be worked next. The application allows us to provide active rather than passive management of agreements across our health system." Additionally, the application captures all related materials to the sourcing process e.g. proposals, financial analysis, business reviews, etc. in one central repository, thereby capturing vital information for current and future reviews.

"SmartSOURCE provides a lot of functionality, and now we're working as a user group with other hospitals to make even more enhancements."

The Results

Utilizing the SmartSOURCE application has increased the rigor and preciseness of HFHS contracting across the organization, which is especially important with thousands of contracts to manage. It also helps HFHS manage cycle times, thereby increasing productivity, and drives the results for which O'Connor and his staff are looking. "This solution continues to evolve and has transformed our strategic sourcing operation into a very effective model that manages all the moving parts of our contract management," remarked O'Connor.