

Streamlining contracts for efficiency and savings for OrthoD

CLIENT:	OrthoD
SECTOR:	Healthcare
COST CATEGORIES:	Telecoms, Photocopiers

Expense Reduction Analysts dissect OrthoD's telecoms and photocopier spend and use their market knowledge to find healthy savings.

THE CLIENT

Operating across Europe, OrthoD focusses on reconstruction, sports medicine, surgical products and infection control. OrthoD have been bringing innovative answers to clinical questions since 1984. The company finds these answers by listening to health care professionals and patients, and having the courage to answer the difficult questions with new ideas.

THE CHALLENGE

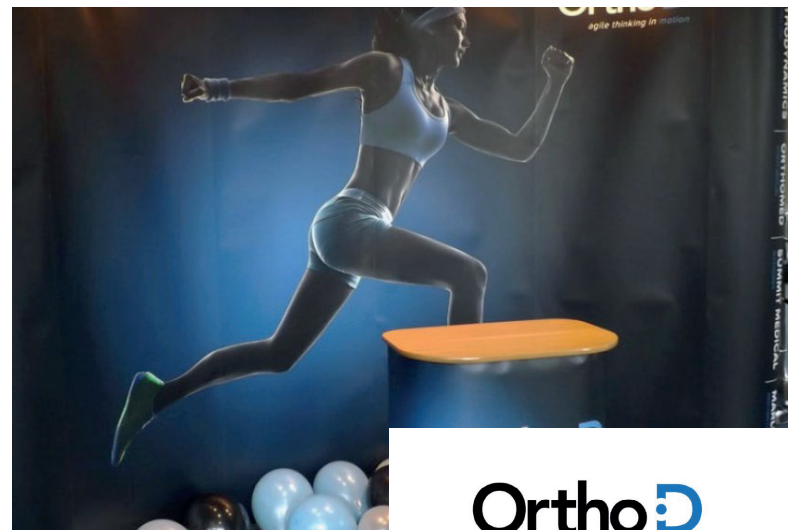
When Alec Simpson, Chief Financial Officer at OrthoD, reached out to Expense Reduction Analysts (ERA), his aim was simple: to establish whether OrthoD was getting best value for money from their key suppliers. Alec understood that his in-house team, whilst experts in many things, lacked the knowledge to tackle the complexities of some of the contracts in question. Thanks to ERA's wealth of experience and market knowledge, OrthoD received not only substantial financial savings but improved service levels and long-term efficiency gains.

As is standard practice at the start of all new client relationships, ERA walked Alec step-by-step through the no-nonsense review process, demonstrating the hands-on approach that would ultimately ensure best outcome with minimum disruption for Alec and his team. After analysing OrthoD's requirements, ERA then suggested several costcentres in which they felt a significant impact could be made. Keen to take advantage of ERA's risk-free 'no savings, no fee' strategy, Alec awarded all proposed projects to ERA for review.

It's at this point that dedicated ERA category specialists are selected for their knowledge and expertise in their respective fields.

With their in-depth experience, Pritesh Patel and Sue Carbin (telecommunications and photocopier experts respectively), were the obvious choices to lead the projects. Both projects realised significant improvements in service and flexibility plus savings well in excess of 50%.

SUMMARY OF SAVINGS



OrthoD
agile thinking in motion

"Thanks to the ongoing audits from ERA, we have much more visibility over spend which allows us to better manage several priority cost centres. Working with ERA has been very beneficial for the company. The leverage and influence of ERA is down to their level of experience and market knowledge." The leverage and influence of ERA is down to their level of experience and market knowledge."

ALEC SIMPSON
CHIEF FINANCIAL OFFICER, ORTHOD

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COMMUNICATION IS THE KEY TO SUCCESS

Telecommunications is a business-critical cost centre for any organisation and for OrthoD, effective and efficient communications are a core component of the company's vision and mission statement. Having successfully implemented more than 330 projects during the last 11 years within ERA, Pritesh has significant expertise in implementing mission critical solutions and cutting edge technology for clients, whilst at the same time securing improved value for money.

Pritesh carried out a detailed review of the existing fixed line services and then, armed with a thorough understanding of the business needs, took the contract out to tender. Through intense negotiation and leveraging his extensive industry knowledge, Pritesh identified a number of solutions with both incumbent and alternative suppliers. Having reviewed all the options Alec opted to switch suppliers, especially since ERA would oversee the implementation process.

"It was clear almost immediately that the existing structure of the contract was quite fragmented. Whilst it's extremely common to have lots of lines that have been added over time, the problem occurs at renewal when you find you have literally hundreds of different end dates. By rationalising the contract, it becomes favourable to the client, rather than the supplier and made administration of the relationship far simpler for OrthoD going forwards," explained Pritesh Patel.

Savings of 58% were realised for OrthoD whilst still achieving the aims of supplier rationalisation, shorter contractual periods and greater flexibility including a co-terminus solution.

Employing similar strategies for OrthoD's mobile lines, Pritesh took the contract out to tender and presented a new, best-fit supplier for consideration. During his review, Pritesh again identified a number of surplus services which were subsequently cancelled. This defragmentation of the contract and unpicking certain contractual obligations which OrthoD were unaware of, resulted in a new supplier agreement which was better suited to the business' operational requirements. Alec was impressed with these value added benefits as well as the 67% saving secured!

OrthoD now enjoy a much-strengthened position at the point of renewal for both mobile and fixed line contracts as well as vastly improved visibility over user behaviour and redundant lines through Pritesh's ongoing monitoring and reporting.

REPLACING CARBON COPY CONTRACTS WITH BESPOKE SOLUTIONS

Running alongside the telecoms projects, ERA specialist, Sue Carbin, carefully reviewed OrthoD's printer agreements - comparing expected and actual usage, particularly for photocopying, against the contract values. Sue presented her findings to the board along with recommendations that would see improvements in the service and the reliability of the printers.

In line with Sue's recommendations, the incumbent supplier agreed to change-out the models of all printers at no cost, resulting in immediate savings and greater efficiency company-wide.

"Sue was able to identify some simple but critical changes to the printer contracts which had an immediate impact on costs and efficiency. The leverage and influence of ERA is down to their level of experience and market knowledge," explained Alec Simpson, Chief Financial Officer at OrthoD.

ONGOING VALUE

ERA's client relationships do not end with identifying the best supplier and saving costs. Pritesh has continued to work closely with OrthoD over a number of years. Ensuring the transition to the new supplier was seamless and that promised service levels were being met from both new and existing providers. By undertaking quarterly audits, Pritesh ensures that savings are being realised and, as the needs of the business change, contracts are optimised where possible for the benefit of the client.

ADDED VALUE

- Improved visibility over spend.
- Contracts optimised as business needs changed.
- Streamlined and simplified contract structures.
- Strengthened position for future renewal.
- Improved level of supplier service and support.
- Access to specialist cost centre experts.