

REFERENCES

1. 57% Actual Contract Utilization - KPMG, Power of Procurement 2012 & AHRMM study via GHX
2. 38% Actual Savings - Aberdeen Group, The CFO's View of Procurement, 2009
3. <60% of spend is sourced from a contract - GS1 – Improving Patient Safety and Supply Chain Efficiency [March 2012]
4. 12% price erosion from overpayments and lost price tier optimization - McKesson – Mastering Supply Spend
5. 30-50% of spend is off contract - GS1 – Improving Patient Safety and Supply Chain Efficiency [March 2012]
6. < 25% of contracted savings initiatives being realized Actual Savings - Aberdeen Group, The CFO's View of Procurement, 2009
7. 70% of nurses spend over 36 minutes per shift - Materials Management in Healthcare, 2009 [references O+M study]
8. 30% of Industry PO's have errors that cost \$20 to \$25 to resolve [GS1 Data Synchronization in Healthcare; A Solvable Problem, Sterling Commerce Case Study]; on 100K invoices/year the costs of these errors are $30K \times \$20 = \$600K$ impact
9. GS1 – Global Data Synchronization Network [2012]. If 3 FTE's spend 24% of 2,000 hours/year = 1,440 hours @ \$45 loaded cost = \$50K [overall estimated to be a \$2B-\$5B healthcare industry cost – GS1]
10. 15% of the time, different prices are paid for the same product - McKesson – Mastering Supply Spend

11. 12% overpayments are made on costly PPI items - McKesson – Mastering Supply Spend
12. >50% reduction in Special Request Orders – Prodigio Customer Case Study
13. Hackett Benchmarks for AP [2008] - \$15.42 -> \$8.04 per PO cost [cost per PO of \$3.00 – Prodigio User Conference 2015]; Prodigio Customer impact ~\$200K per month on 30K PO's; 63% of PO's are 100% automated with an 88% match rate and 97%+ accurate; Prodigio Customer [55% reduction - \$110/PO to \$50/PO]
14. Prodigio Customer Case Study –User Conference [2015] 88% price accuracy on Invoice price
15. Capture more rebates; a Prodigio customer recovered additional 1.7% in rebate dollars from suppliers by being an efficient customer [accurate, automated orders] and by tracking rebate program terms
16. Prodigio Customer time study [Oct 2014] Prodigio requesters spend 30% less time creating a requisition
17. Drive higher admin fees with your GPO; a Prodigio Customer increased admin fees by 26% by directing requesters to GPO contracted sources
18. 2-3% of supply chain spend is lost due to invoicing errors [GS1- Data Synchronization in Healthcare: A Solvable Problem]
19. Prodigio Customer Case Study [> 25% increase in contract spend pull through] A 25% increase in contract utilization yields a 40-50% increase in realized contract savings. – Calculated based on moving utilization from 60%=>85% and 8-10% premium