HEALTHCARE SUPPLY CHAIN MANAGEMENT SPECIAL

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Healthcare Tech OUTLOOK

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HEALTHCARE TECHNOLOGY
KNOWLEDGE NETWORK

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VPL

INBOUND FREIGHT MANAGEMENT REINVENTED

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For a massive healthcare system that has hospitals located in 23 states, significant changes to established operational processes can be an enormous endeavor. But in 2017, one such system decided to transition their freight management program to Vantage Point Logistics' (VPL) new self-service platform, *VPL Surpass™*. This healthcare system had been utilizing a legacy full-service company for just over eight years, and although they had been mostly pleased with its freight management services, it had been quite some time since they experienced year-over-year growth in incremental savings. The leadership of this organization takes an innovative approach to supply chain optimization and, because of this, are always looking for new ways to fund various initiatives. "With several upcoming projects directly related to supply chain logistics, the customer began to review all their freight spend, looking for ways to repurpose some of those dollars. As a result of this analysis, a decision was made to transition to an in-house, self-managed freight program. Very soon, they began to realize doing that alone was easier said than done," says Don Carroll, VP of Business Development at VPL. VPL knew that the health network had parts of a solution but nothing that would function together as a system for their freight management requirements. Carroll informs, "Once we properly understood their requirements, we were confident *VPL Surpass* would be the perfect solution for them." In the nine months since then, they are the first customer in the active process of transitioning to *VPL Surpass*.

But the experiences of this customer are hardly unique. There are a growing number of health systems seeking a solution for self-management of freight and *VPL Surpass* is the turnkey platform they have been waiting for.

Most U.S. healthcare systems are currently experiencing extreme downward financial pressure from changes imposed by the ACA passed in 2010. These systems have seen their expenses rise by approximately seven percent each year and yet they are receiving lower patient reimbursements from both government and private insurers. In addition, the average operating margins for healthcare

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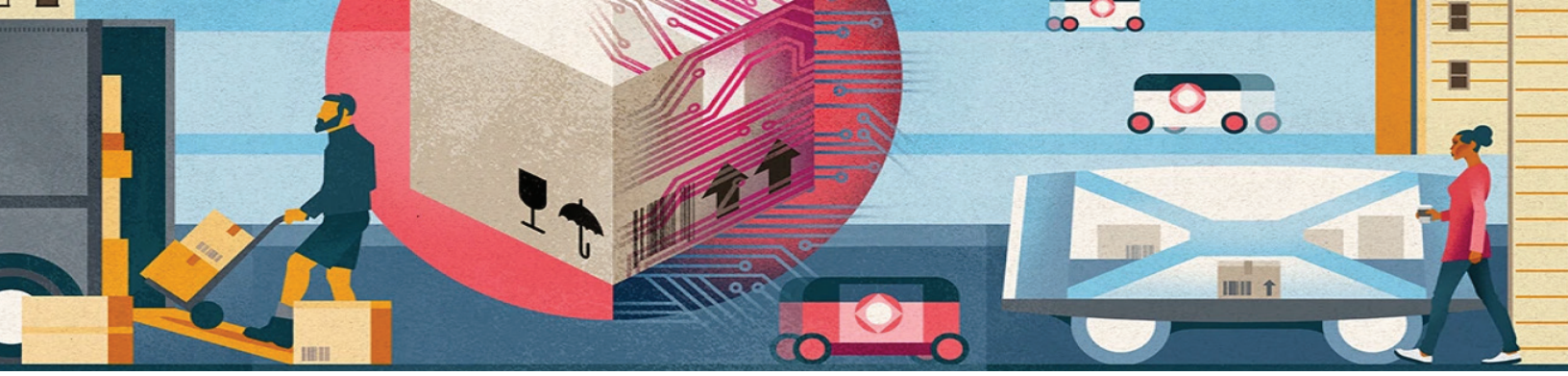
Eric McGlade,
Chief Strategy Officer & Co-Founder



systems have dropped by 20 percent in the past 12 months. As a result, supply chain officers have been given mandates to find creative new ways to reduce their overall expenses. *VPL Surpass*™ provides a simple way for these systems to significantly reduce the charges associated with the shipment of product into their facilities. "The overarching value proposition of *VPL Surpass* is that it is the first, and only, the product that provides the subject matter expertise, vetted processes and advanced technology that any health system would need to self-manage its freight," states Carroll.

Delivering Real Value to the Healthcare Providers

A cutting-edge, cloud-based technology platform, *VPL Surpass* provides healthcare providers with an advanced freight management solution. The platform's design and functionality are in direct response to the growing number of health systems seeking an alternative to the full-service programs currently offered by traditional freight management companies. "Frustrated with the limitations imposed by the existing programs, more health systems are recognizing the advantages of transitioning to an in-house, self-managed freight program. With no off-the-shelf solutions available, the challenges in obtaining the necessary subject matter expertise and technology to run a program in-house have simply proved too high a barrier for all but a select few," says Carroll. With the introduction of *VPL Surpass*, healthcare providers now have everything required to set up and run a self-managed freight program right out of the box. The platform removes the uncertainty and risks commonly associated with self-managed programs, with years of VPL's solid experience built directly into the system. In addition, it guides the users through the transition to a self-managed program, automates most core processes, and provides guided daily workflows that allow the user to be productive from day one.

There are two key components to any successful freight management program: ensuring supplier compliance and accurately allocating hundreds, if not thousands, of unique carrier shipping charges each week. *VPL Surpass* is designed for the easy mastery of both.

With regards to suppliers, all successful freight programs begin with setting up the right ones, and *VPL Surpass* makes this seamless by identifying all the eligible suppliers, initiating the appropriate setup instructions and providing guided workflows if direct supplier follow-up is necessary. The platform improves supplier compliance by continuously monitoring their performance to ensure they are following the agreed-upon shipping procedures. "When a supplier is flagged as a compliance opportunity, guided workflows ensure quick resolutions and maximum program performance," notes Carroll.

When it comes time to pay the carriers, the methodology behind *VPL Surpass*' shipping charge allocation can be customized to match any system's accounting practices and requirements. Its technology allows the users to allocate freight charges back to appropriate GL accounts in their own system before payment. This customization provides accuracy, saves time, and presents fewer issues for AP.

VPL Surpass also comes preloaded with all reports needed to monitor program performance and provides executive-level dashboards that notify designated users when the time comes to take credit for the savings realized. It can analyze shipping patterns and carrier data to identify opportunities for incremental savings in a variety of areas, including mode optimization, supplier fee reductions, and dimensional weight changes.

Don Carroll,
VP,
Business Development

Experience Matters

What truly differentiates VPL from the rest of the freight management industry are the years of experience that they carry in their arsenal. As Carroll reports, "VPL has many years of hard-earned subject matter expertise, and this is built into virtually every aspect of *VPL Surpass*™. While a significant amount of this experience applies to processes running quietly in the background, the daily user will benefit from it with every guided workflow." The company's story traces back to 15 years ago, when VPL's co-founders, Eric McGlade and Scott Crow, were instrumental in the design and implementation of the first turnkey inbound freight management solution designed specifically for the healthcare industry. Under their leadership, the company catapulted to success and was quickly recognized as the clear market leader, a status which ultimately resulted in the company's sale to a large healthcare supply chain organization. Following their entrepreneurial streak and the zest to improve their initial offering, McGlade and Crow co-founded VPL to take their freight management model a step ahead and unlock even more opportunities in this realm.

Unlike their competitors who work exclusively with a single carrier, VPL works with all major carriers, helping customers find the best rates, resulting in better transparency and cost control. For instance, Carroll explains, "using both FedEx and UPS makes it easier for suppliers to accommodate your program resulting in more managed shipments and savings. It also allows for cost optimization based on zones, service levels, accessorial fees, etc. VPL typically designates a primary and secondary carrier for each customer, using one or the other as circumstances dictate."

While most of the legacy freight management companies promise cost reductions with their program, their incremental savings diminish over time. VPL is changing this status quo with its customized performance-based contracts. VPL's experts perform a deep-dive analysis of a health system's freight data and, based on this analysis, VPL guarantees an incremental value of savings while managing a higher number of shipments in the subsequent one year. Another significant pain point remedied by VPL is the cumbersome and time consuming nature of the legacy companies' invoicing process, for which VPL provides a uniquely formatted invoice based on each customer's system and accounting requirements. The invoice has a categorized list of charges that cascade out against the appropriate GL accounts within the associated systems to eliminate manual allocation of managed shipping charges.

Scott Crow,
Chief Innovation Officer & Co-Founder

Total Supply Chain Visibility

Over the years, VPL has built its reputation on providing customers with the most robust full-service freight management program available in the healthcare market. Designed to promote transparency and partnership, they deliver greater savings through a combination of enhanced supplier compliance, customized invoicing and reporting, and a flat-rate transaction fee pricing model. The release of *VPL Surpass* has been a contributor to VPL's exponential growth. "We have doubled our market share in the past 12 months and have experienced a 100 percent increase in net revenue over the same period. Our top line revenue has grown by 362 percent in the past three years resulting in *Inc.* Magazine recognizing VPL as one of America's fastest growing companies in both 2017 and 2018," states Carroll.

As a direct result of their year-over-year growth, as well as their continued focus on developing leading-edge technology solutions for the healthcare market, the company anticipates doubling its employee headcount within the next 12 months. "It's not only large health systems that would like to move away from the full-service models. *VPL Surpass* can be the perfect freight management solution for smaller health systems or hospitals that are often overlooked or neglected by the full-service third-party programs," informs Carroll. "VPL is currently in the development of new technology that will allow our customers to follow a product from the original shipper into their network and then track it until it arrives at the final point of patient care. This technology will provide our customers with the ability to calculate the true landed cost of any product, regardless of the number of times it moves from one location to another." HT

Healthcare Tech OUTLOOK TOP 10

HEALTHCARE SUPPLY CHAIN

MANAGEMENT CONSULTING/SERVICES COMPANIES - 2018

Healthcare supply chain management deals with everything from obtaining resources to the manufacturing of medical products to delivering them to providers and patients while adhering to the regulations. In the past few years, it has evolved a lot; the managers of the healthcare supply chain are adopting new age technologies to improve operational efficiency and profitability.

With the help of the cloud, the healthcare supply chain management is trying to cut operational and administrative costs because cloud-based solutions are less pricey concerning the general operation and administrative costs. While data analytics is helping the industry in moving from transaction-driver procedure to a strategic, data-driven process. Besides, healthcare organizations are also welcoming AI not only for clinical use, but for the management of supply chain process as it optimizes profits, improves the overall quality of patient care, and access further innovation.

Though there are many healthcare supply chain management solution providers, who claim to offer the best solution with all the requirements fulfilled but picking up the right one is always a tough task for the leaders. In order to assist CIOs in identifying the best, a distinguished selection panel comprising CEOs, CIOs, VCs, and the magazine's editorial board has selected a list of the top healthcare supply chain management solution providers that leverage innovative technologies and strategies to enhance today's healthcare supply chain management services.

This edition of Healthcare Tech Outlook features companies with expertise in healthcare supply chain management practices to update you about the best healthcare supply chain management services you can choose from, aimed at achieving patient satisfaction by addressing crucial factors of access to healthcare information, cost of care, and quality of healthcare service.

We present to you Healthcare Tech Outlook's - Top 10 Healthcare Supply Chain Management Consulting/Services Companies - 2018.

Top 10 Healthcare Supply Chain Management Consulting/ Services Companies - 2018

Company	Management	Description
HealthTrust Nashville, TN healthtrustpg.com	Ed Jones President & CEO	Provides supply chain services- inSight Advisory, to help healthcare organization identify sustainable approaches to enhance their procurement, sourcing, inventory management and distribution
Marken Durham, NC marken.com	Wes Wheeler CEO	Patient-centric supply chain organization offering direct-to-patient services, biological sample shipments, GMP-compliant depot network and logistic hubs for clinical trial material storage and distribution
Pandion Optimization Alliance Rochester, NY pandionalliance.com	Travis Heider President & CEO	Provides an array of supply chain services including group purchasing and supply chain consulting to help reduce costs, streamline operations, and improve performance
Premier Charlotte, NC premierinc.com	Susan DeVore President & CEO	Changing the healthcare landscape by offering robust analytics and consulting supply chain services to reduces expenditure and improve efficiency
Provista Irving, TX provistaco.com	Jim Cunniff President & CEO	Supply chain partner for the healthcare industry providing supplies, a robust contract portfolio, insightful benchmarking and more
RiseNow Leawood, KS risenow.com	Matt Stewart Founder & Managing Partner	Provides customized supply chain services, technology, and resources for the healthcare organization to take control of rising cost
Sedlak Cleveland, OH jasedlak.com	Jeffrey B. Graves Principal Ned N. Sedlak Principal Patrick S. Sedlak Principal	Logistics advisory firm providing supply chain and logistics strategy, distribution network optimization and more to the healthcare organizations
Simpler Bloomfield, IA simpler.com	Mike Chamberlain President	Management consulting firm, part of IBM Watson Health business, helps organizations across the globe improve enterpise-wide performance through lean transformations
TPC Plano, TX tpc1.com	Geoff Brenner President & CEO	Provides framework for independent , community-based hospitals to optimize operational, financial and clinical performance
VPL Columbus, OH vantagepointlogistics.com	Don Carroll VP, Business Development Eric McGlade Chief Strategy Officer & Co-Founder Scott Crow Chief Innovation Officer & Co-Founder	Provides a whole new kind of freight management model that delivers innovative supply chain technology to enhance patient care

NO risk.
ALL reward.

VPL Surpass™

Technology that puts freight management in your hands and guarantees your success.

You might think it sounds risky to transition from your full-service freight management program to one you manage yourself, but nothing could be further from the truth.

VPL Surpass, breakthrough technology that makes self-management simple, was designed to eliminate any and all of the risks associated with switching. And the rewards are plentiful: you'll take control, eliminate the middleman markup, and save money... we guarantee it.

Visit us at www.VantagePointLogistics.com, and discover how we're reinventing freight management...again.

VANTAGE POINT LOGISTICS®