



SUCCESS STORY

VPL Delivers 33% Savings for Pacific Northwest Health System



A 1,900 bed health system located in the Pacific Northwest is well known within the community for its primary care, urgent care, specialty services and eight hospitals. Given the number of facilities from which it provides services, this health system boasts a robust freight management program.

Through its previous freight management provider, this health system felt they were not managing enough of their freight, were spending too much staff time processing managed freight costs and were operationally constrained due to lack of carrier choices. This scenario simply proved to be too costly, so the health system sought a new partner to help them optimize their freight management initiatives.

VPL, known for its time-saving technology solutions and savings guarantees, was chosen for the job.

VPL performed an analysis of their existing freight program to identify cost-saving opportunities and then generated a savings guarantee that was to be met within one year of the partnership. VPL's first order of business was to get the customer set up with UPS and FedEx accounts that provided the customer with favorable pricing discounts. Once these accounts were secured, VPL then put its highly rated technology solutions to work for their new customer.

VPL developed a unique invoice for the customer that could be delivered to them electronically, with all managed freight charges allocated to the appropriate cost centers. This allows for seamless processing and reduces the customer's AP time to just minutes per week. VPL then communicated with the customer's suppliers to ensure they had the appropriate shipping instructions to maximize program compliance.

VPL leveraged its unique pricing model of "transaction billing" which gave the hospital system a transparent view of both their shipping costs and the cost to manage their freight. VPL also provides regularly scheduled business reviews to ensure the customer is realizing all of the savings opportunities available to them with VPL.

Through a combination of advanced technology, multi-carrier support, operational efficiencies and proactive account management, VPL is currently delivering savings 33% greater than this customer's previous program.

BY THE NUMBERS (Annualized)

904

Participating Suppliers

49,047

Shipments Managed

\$639,585

Savings Generated

33%

Increased Savings
vs.
Previous Program