

2024 VIZIENT CONNECTIONS SUMMIT

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Support Services: Maximizing Value and Aligning Missions

Brian Murray, MBA, System Vice President, Supply Chain
Procurement

Justin Klinefelter, MBA, System Assistant Vice President,
Category Management

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Learning Objectives

- Describe successful strategies to improve financial value and patient experience with support services.
- Identify resources that can be used to provide insight into benchmarking targets.

Support Services: Maximizing Value and Aligning Missions

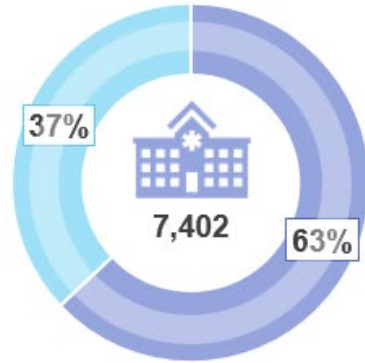
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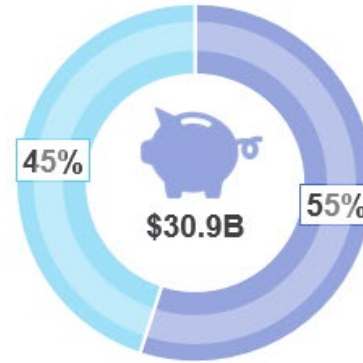
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- Endeavor spent \$100M+ annually across Support Services (Facilities, Environmental Services, Patient Transport, Lobby Services, Patient Food, & Clinical Engineering)
 - The services included 1,200+ FTE's, which equates to 12% of the workforce
- Each legacy entity utilized a different vendor with some areas managed in-house
- Endeavor decided to move forward with an initiative to align services system-wide, which was the first major standardization project after the mergers

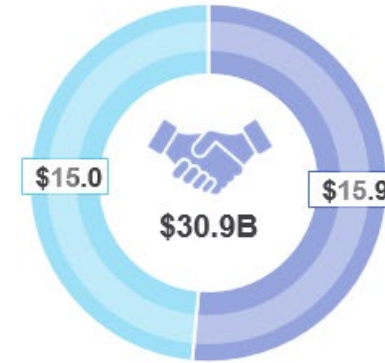
Market Overview



Outsourced Market Share
By Hospital Count



Outsourced Market Share
By Total Managed Volume



Total Managed Volume (B)
By Line of Service
FNS, EVS

Regardless of the model utilized, these employees play a large role in patient experience, make up a large percentage of service expense (13% of Endeavor's Service Spend), and are viewed by staff and patients as part of the organization

Audience Poll

- Do you insource or outsource support services (Fully Insourced, Fully Outsourced, Hybrid)?
- Where do you predict you will be in 5-10 years (Fully Insourced, Fully Outsourced, Hybrid)?

Endeavor Contracting Approach/Strategy



- All incumbents included (4 different vendors) in Request for Proposal process, but all vendors made aware standardization is the goal and no one will be given preferential treatment
- There was over 1,200 employees impacted by this RFP/decision, partnering with HR to ensure a communicate plan to get out in front of rumors and provide the transparency each employee deserves
- Scope fully vetted and leveraged Vizient market research data to mandate terms to participate in the RFP
 - Terms and Value drivers will always be missed in the RFP and require resubmissions, but ensure all vendors are afforded the same opportunity

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Endeavor Timeline

Description	Date
ELT, OLT, SLT Formed	January 2021
Scope Development/Reference Research/RFP Development	February – May 2021
RFP Release Date	June 14 th , 2021
RFP Due Date	July 16 th , 2021
Committee review of proposals (OLT)	July 30 th , 2021
OLT Supplier Elimination	August 6 th , 2021
Supplier Site Tours (Final 2 Vendors)	August 26 th , 2021
Supplier Presentations (Final 2 Vendors)	September 1 st & 2 nd , 2021
OLT Committee recommendation of Supplier	October 4 th , 2021
ELT Confirms OLT Final Recommendation	October 19 th , 2021
LOI Supplier negotiations completed	December 2021
New Support Services Agreements Go-Live	February 2022
Master Services Agreements Finalized	June 2022 and February 2023

**24
Month
Process**

Vendor Award and Financial Impact

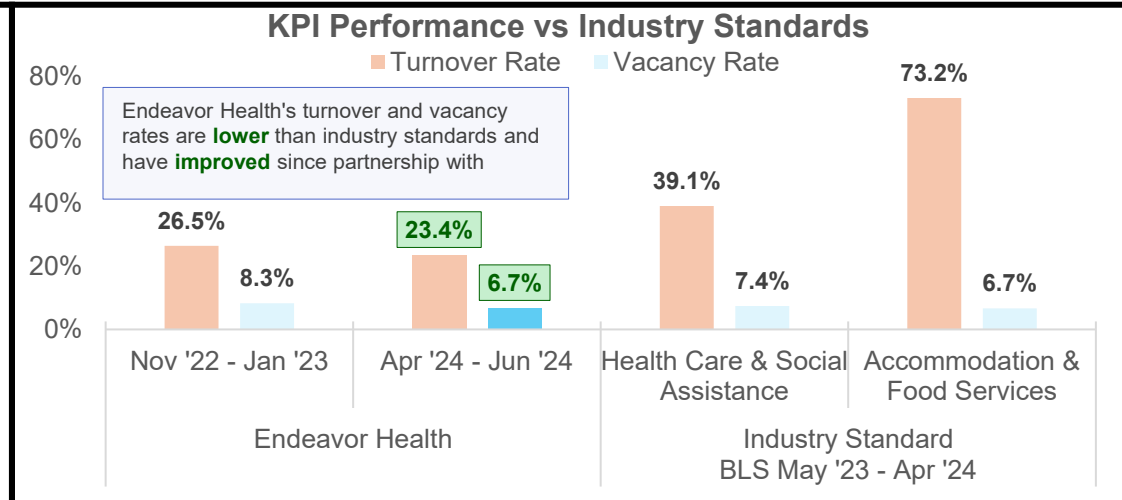
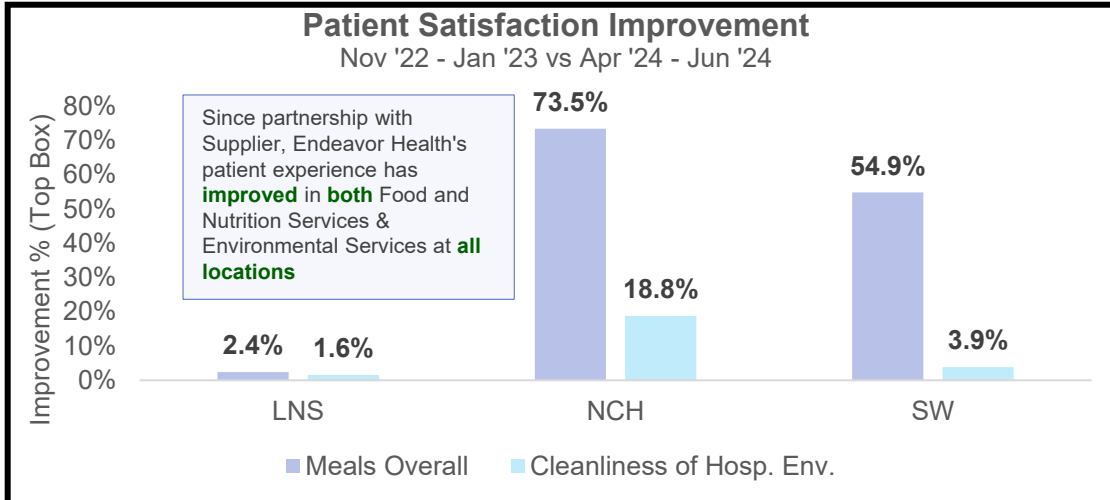


- Vendor award and Letters of Intent were sent in February 2022
 - Supply Chain/Legal drafted custom contracts to encompass all commitments made during the RFP
 - Agreements took over 1 year to negotiate/execute and were a combined 300 pages

Results

- \$13M expense reduction without reducing scope and services
- \$11M in capital commitments focused on improving patient experience, infrastructure enhancements, and retail revenue growth
- \$2.5M investment towards DE&I within Endeavor's service area
- \$6M in vendor fees at risk annually based on mutually agreed upon KPI's

Performance Impact



Facility Management 2024 YTD

- 100% Tier I Monthly PM Completion
5% above target completion %
- 95.8% of urgent work order requests completed within 36 hours
0.8% above target completion %

Patient Transportation 2024 YTD

- Average Turn Time: 20 Mins
Below target turn time at all locations

- Often organizations focus on Year 1 pricing, but don't put parameters in place to easily control costs throughout the course of the 5+ year agreement.
- There is often significant value (Financial & Performance) in these agreements, but don't underestimate the time invested/stakeholder support required to realize the full opportunity.
- Partnership is often thrown around far too frequently, but these vendors often are the largest vendor by FTE's/spend and play a vital role in patient experience, so select a vendor that mirrors the values/mission of your institution.

Key Takeaways

- Demand full financial transparency from your awarded partner
- Mutually determine financially backed KPI's to drive best in class patient experience
- Set expectations upfront for Capital Investment and require proposals to focus on growing patient satisfaction and revenue streams
- Mirror contractual commitments to the values your organization prioritizes

Questions?



Contact:

Brian Murray, BMurray@NorthShore.org

Justin Klinefelter, JKlinefelter@NorthShore.org

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