

# E-Procurement Coverage for Leading Health Insurance Provider

## Client Profile

One of the nation's Top Managed Care Providers, with over 3,000,000 members and 20 offices statewide.

## Business Challenge

To find and choose a P2P solution that would provide the most cost-savings for the organization, and provide the flexibility needed to work within the business culture and methodologies of the company.

## Results

Successfully streamlined all purchasing activities and procedures resulting in significant cost savings annually.

## ROI: (achieved in less than 6 months after implementation and roll-out):

- Increased productivity by 50%
- Increased inventory forecasting for print suppliers by 75%
- Saved up to 70% on IT services
- Generated rebates of 3% of total spend within the first 3 months
- Reduced unnecessary and unauthorized purchases by 12%
- Lowered total cost of ownership
- Achieved up to \$500,000 cost savings

## Client Profile

A leading health insurance provider, this BravoSolution client provides health insurance products and related services to more than 3 million members in their representative state. The not-for-profit organization's health insurance products include HMO, preferred provider organization (PPO), dental, and a Medicare supplemental plan. The client has over 4200 employees in 20 office locations and an annual revenue of 7.5 billion.

## The Challenges

As an insurance industry leader and health plan innovator, this BravoSolution client was the first in the nation to offer catastrophic coverage, and provide coverage for a heart transplant. Recognizing the speed and accessibility of the internet, the company also became the first to offer online benefit and enrollment information, as well as offer an online enrollment system for agents. The client used the same foresight when it came to employing strategic procurement sourcing services.

The goal was to find and choose an e-procurement application that would provide the most cost-savings for their organization, and provide the flexibility needed to work within the business culture and methodologies of the company. Specifically, the challenge for the managed health care provider was threefold: gain visibility and accountability with everyday purchasing, such as office supplies; establish best practices for the procurement of in-demand services, such as printing; and gain better control and visibility into inventory usage and availability. This needed to be accomplished with an efficient implementation that would allow for an easy transition for the entire user community and necessary support from upper management.

## The Solution

BravoSolution's BravoAdvantage Procure-to-Pay solution was selected as the e-Procurement application to solve the challenges and problems that the procurement operation was facing. The solution offered an On-Demand 100% web-accessible procurement solution that could streamline the company's purchasing activities and procedures while instituting self-service procurement tools and strategies. The solution would not only take care of the challenges and problems that the procurement operation was facing on a daily basis, but also enable the client to find even more areas of opportunity to realize cost-savings with BravoAdvantage Procure-to-Pay.

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## Strategy

First and foremost, the client needed to get their everyday spending under control. In order to create the most effective system for their usage, BravoSolution and members of procurement and management staff met to carefully outline the existing procedures and business rules and controls of the organization. Working closely with the procurement management team to gain in-depth knowledge of procedures, suppliers, contract types, and focusing on the client's goals, enabled BravoSolution to customize the e-procurement solution to maximize the benefits for the organization.

Close examination of suppliers and purchasing agreements led to cooperative purchasing offerings and resulted in the client being able to take advantage of discounts. In fact, discounts generated rebates of 3% of total spend within the first three months. The client not only was able to control what it was spending on office supplies, it virtually eliminated maverick buying situations and increased visibility to spend, with accountability.

Unnecessary and unauthorized purchases were reduced by at least 12% within the first six months of implementation. The same strategy was applied to the procurement of services. BravoSolution worked together with the client to outline the business rules and controls for service procurement and they were able to negotiate better service contracts and significantly impact how those costs are managed.

## Results

BravoSolution and the client successfully worked together to meet the procurement challenges and implement cost-effective strategies within the company. The client was able to leverage the buying power of its organization resulting in work practice changes within the company, resulting in savings of over \$500,000 in the first six months. Specifically, BravoAdvantage Procure-to-Pay eliminated manual processing and redundancy, improved the accuracy and collaboration with print and office suppliers, increased controls and enforced compliance standards necessary for reducing maverick buying situations and SOX compliance. Immediate benefits were: increased savings and decreased costs, improved spend management and better visibility to spend, and greatly reduced IT costs and support.

Successful results have prompted the client to utilize BravoSolution and its services in other areas. Most recently, BravoSolution took a labor intensive Contract Management process and developed a solution to automate the process to encompass contracts, statements of work, amendments, addendums, and attachments in a secured and controlled environment. Tracking and monitoring of contract dates and events, along with the ability to create custom reports streamlined the process and satisfied specific business requirements and auditing guidelines.

## About BravoSolution

- **Leverage Proven Global Results** – 100,000 purchasing executives across 70 countries and 700,000 suppliers globally rely on BravoSolution products and services.
- **BravoAdvantage** – BravoAdvantage is the strategic procurement platform that enables organizations to generate more value, influence innovation and reduce risk. Powered by a unique supplier-focused approach that integrates supplier lifetime value throughout the entire procurement process, BravoAdvantage provides the visibility, insight and transparency required to power and improve every procurement initiative and decision.
- **Engage the Experienced Team** – The BravoSolution customer commitment is to provide exceptional people and smart, proven, cutting-edge processes to ensure customer success. BravoAdvantage is powered by an experienced team of global procurement professionals, equipped to help with organizational transformation and management, implementation, adoption, support, and procurement strategy.
- **Connect with a BravoSolution Professional** – Learn more about BravoAdvantage and how we can help you unlock your organization's hidden value and savings throughout the procurement processes.