



Shaving Millions Off Hospital Supply Costs

Sharp HealthCare Simplifies Sourcing in End-to-End Transformation of \$1 Billion in Annual Spending

Robotic cardiac surgery. Gene therapy. Radiation suites. In San Diego, Sharp HealthCare is synonymous with pioneering medical treatment. But that's not all. They're also known for community care—delivering the world's smallest baby, employing the first bilingual pharmacy technicians, and building the region's first green-certified hospital. Plus, many tens of thousands of Sharp Health Plan members perennially rank it among California's best.

All this stems from the Sharp Experience, a philosophy focused on treating people, not patients. From clinicians to volunteers and administrators to engineers, everyone aims to make Sharp the best place not only to get quality care, but also to work and practice medicine.

Seeking Simplicity

Such was the motivation for Sharp HealthCare's supply chain team when they sought to simplify its diverse sourcing and contracting systems and processes. "With so many facilities, our team indirectly touches about \$1 billion a year in spending, while directly managing \$400 million," says Ryan Koos, chief supply chain officer. "But this spending extended across more than 10 departments with their own contracting responsibilities. We had too many systems and manual touch points. Sourcing efficiency and visibility were suffering, as was our employees' work experience."

Katie Bernard, director of strategic sourcing and value analysis, notes that the departments were using three contracting systems plus a group purchasing organization (GPO). Compounding Sharp's contracting challenges were varied and opaque RFP processes. "Our RFPs were done manually via PDFs and email, typically taking months to issue, gather responses, evaluate them, and award the contracts," Bernard says. "Numerous RFPs could be open at any time, but we lacked visibility into any of them. It was extremely inefficient."

\$4.2 Million in Savings

To address these issues as part of an organization-wide business transformation, Koos and his team chose Workday Strategic Sourcing. "With the help of Workday Services, deployment couldn't have been smoother," he says. "From our day one, we've gotten tremendous value in greater engagement with our stakeholders—including suppliers—plus cleaner data and easier, real-time reporting from a single source. What's more, we achieved \$4.2 million in savings in our first six months, facilitated by Workday Strategic Sourcing."



About Sharp HealthCare

Located in San Diego, Sharp HealthCare has 2,300 physicians and 19,000 employees who provide patient care across seven hospitals and 30 other facilities.

Company Website

sharp.com

Key Results

- Saved \$4.2 million in the first 6 months
- Cut 4 weeks out of RFP cycles that previously averaged 12 weeks
- Reduced 3 contract systems to just 1
- Gained sourcing visibility across hospitals and teams

Workday Applications

- Financial Management
- Strategic Sourcing
- Supply Chain Management

According to Bernard, Strategic Sourcing has become a critical part of her team's clinical value analysis efforts. "We've aligned it with our value analysis program," she says. "So every initiative tied to a value-analysis team has a project in Strategic Sourcing, which we can then turn into either an RFP or a direct negotiation."

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We can report on the status of all active projects more easily and quickly with Strategic Sourcing.

Ryan Koos
Chief Supply Chain Officer

Sharp is also digitizing their new product request process, which once had many manual touch points, via Workday. "We're building our entire form and routing process in Workday," Bernard says. "This way, we can tie each new product request into a project in Strategic Sourcing. If we need to go to RFP, we can do that in the system and then go to contracts. Workday can handle an item's entire procurement lifecycle. And we've reduced three contract systems to just one."

Suppliers approve of the new RFP process that uses Workday. "They find it easy to sign up and respond," says Bernard. "Workday makes the RFP process more competitive and more equitable. It's cut four weeks from a process that once took twelve weeks or more."

Deploying Strategic Sourcing first gives Sharp immediate savings, and is helping propel their future implementation of Workday Finance and Supply Chain.

Real-Time Reporting at Your Fingertips

Easier reporting has improved transparency, especially with so many different facilities in the Sharp HealthCare system. "We can report on the status of all active projects more easily and quickly with Strategic Sourcing," says Koos. "Our different hospitals want to know how much we're saving them. We can report in real time whenever they want, and the reports are visually appealing. Our executives love having reporting at their fingertips, too."

With Strategic Sourcing deployed, Koos and Bernard anticipate the complementary benefits Workday Financial Management and Workday Supply Chain Management will bring. "Now we're adopting best practices from other industries, using Workday, helping us move healthcare forward," Bernard says.

As Koos sees it, the Workday solutions will remove the remaining friction from interdepartmental sourcing workflows, improving the working experience for all involved. "We'll get end-to-end transparency into our spending, so we can make sure every dollar goes to maximizing the Sharp Experience for our patients, clinicians, and employees."

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Katie Bernard
Director, Strategic Sourcing
and Value Analysis

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