

Seeing double

OptiFreight® Logistics

How your health system can double its savings on every shipment*

A deeper dive on data is the key

No matter how much you save on shipping today, chances are there's more to be saved. The answer is in the freight data itself—and having the right technology and analytical expertise to see the opportunities no one else can. For one large health system in Southern California, this analysis revealed \$47,101 in new savings over a three-month period.* That's double the savings per package, compared to the health system's prior freight management program. And the collaboration with OptiFreight® Logistics is just getting started.

"The OptiFreight® Logistics team is much more involved," said the Director of Supply Chain Management for this health system—which handles more than 20,000 admissions, 50,000 ER visits and 2,400 births every year.

"They did a deeper dive and showed us a new path to be more efficient and achieve more savings," he said. "In terms of true involvement, OptiFreight® Logistics is 50-fold better than the program I was using before. I would recommend OptiFreight® Logistics to any health system that wants to increase its overall savings—without impacting clinical quality."

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-Director, Supply Chain Management
Large health system in Southern California



Double the
savings per package by
switching to OptiFreight® Logistics:*

Before	\$11.35
After	\$22.73
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Difference	\$11.38
Increase	100.3%

The data-driven approach to greater success

How did the OptiFreight® Logistics team double the savings in such a short period? The team began by analyzing invoices and data files of historical freight charges that the health system provided. Quickly, team members identified the most effective

ways to save the most time and money, such as managing more suppliers, driving higher compliance and optimizing processes. Opportunities were prioritized, starting with those that would have the greatest impact.



Best of all, OptiFreight® Logistics customized the program so that the health system could roll it out at a steady and comfortable pace, versus all at once. "There was minimal time—and for that matter, headaches—involved," the health system's Supply Chain Director said. The deeper the program's best practices have been adopted, the faster and more impactful the savings have become.

The heart of savings

The OptiFreight® Logistics best practices approach includes:

- Tailoring robust and automated reporting that's specific to the health system's needs
- Providing an outbound shipping system to lower costs on every package
- Adding a purchase order comment to all outgoing POs to help drive supplier compliance
- Managing suppliers more effectively by driving greater participation, volume and savings
- Analyzing direct freight reports to identify new supplier opportunities
- Investigating new acquisitions and capital projects for freight management opportunities

Delivering the future

Even with the savings already found, OptiFreight® Logistics regularly collaborates with this health system to create even more opportunities to enhance efficiencies and save. For example, OptiFreight® Logistics conducts quarterly business reviews that assess performance to date, identify additional savings opportunities and create action plans to take advantage of them. "It's a very hands-on process—and reporting is a key advantage," the health system's Supply Chain Director said. "OptiFreight® Logistics customizes exactly the type of reports I need—and does it on my time schedule."

OptiFreight® Logistics will continue to provide even deeper reporting capabilities to this health system, creating total transparency of shipping and charges by location. The result: both a broad and granular view of freight spend—the key to having even better control of costs.

Simpler, smarter, more cost-effective.

To control shipping costs and improve efficiency in the new healthcare world, you need to work with the right people. Here, you'll have an entire team—all dedicated to tailoring the most effective strategy for you.

Why focus on freight?

Freight is typically just two to three percent of a health system's supply spend,** so it isn't always a top-of-mind target for improvement. "But it should be," said Marc Mullen, Vice President/General Manager of OptiFreight® Logistics. "It's a simple way to lower costs without impacting patient care. The ROI is high, and the level of change low."

See what we can do for you.

866.457.4579



This health system didn't realize the savings would be so significant until we showed them, in dollars and cents. ”

-Emily Barnhart
Regional Manager
OptiFreight® Logistics
Cardinal Health

\$47,101 greater savings
over a 3-month period*

Nearly 25%
lower cost per package*

Over 34%
more packages managed*

Over 63%
more suppliers participating*



CardinalHealth
Essential to care™

cardinalhealth.com/optifreight

*Based on comparing shipments through another freight management program from October 1 – December 31, 2011 to those shipped through OptiFreight® Logistics from April 1 – June 30, 2013. Individual customer savings may vary.

**Based on internal Cardinal Health healthcare industry analysis and estimates.

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