

Unlocking Million-Dollar Savings: A Strategic Sourcing Success Story in the Pharmaceutical Drugs Category Through Initial Data Analysis

Overall, 12% to 15% savings can be achieved by Spend consolidation & standardization

Case study

Introduction & Background

As a foremost procurement service provider renowned for its expertise in analytics, EmpoweringCPO is dedicated to delivering cost-saving solutions to healthcare organizations. Our client, a prominent healthcare provider in the UAE operating a network of hospitals, clinics, and pharmacies, grappled with an inefficient and decentralized pharmaceutical sourcing model, facing numerous challenges.



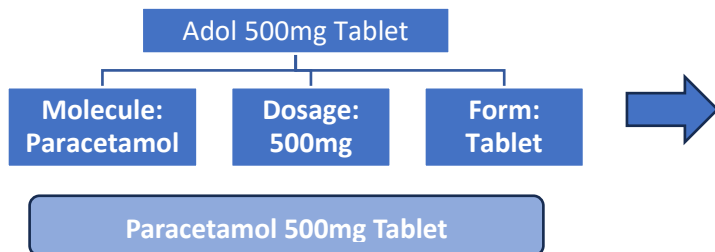
Solution Orchestrated

Phase 1: Savings opportunity through brand Shifting

The primary goal of this preliminary analysis is to quantify the potential savings by transitioning from brands preferred by individual doctors to clinically preferred brands, which exhibit similar clinical efficacy.

1. Data Consolidation and Formulary Creation:

The extensive dataset is subjected to thorough cleaning, resulting in the creation of a well-organized formulary. Example:



2. Brand Shifting

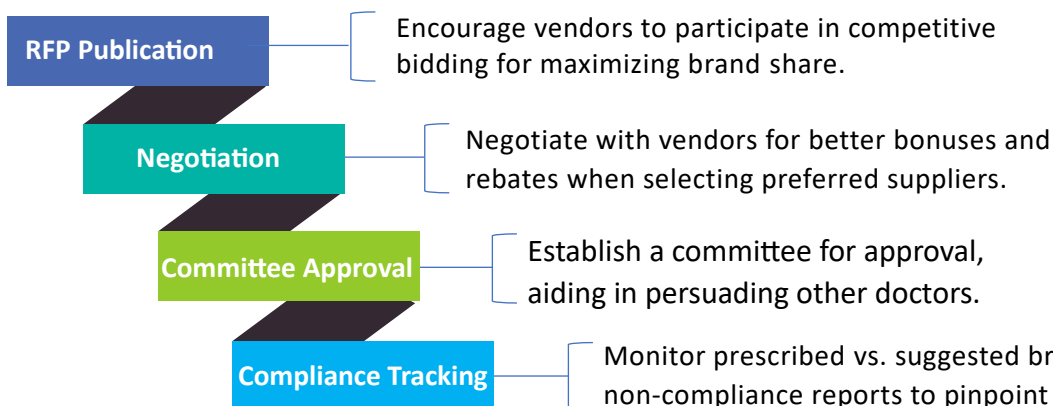
In Stage 1, the total volume of purchases for a specific formulary is determined. This phase aims to identify potential savings through the strategic shift of brands. Example:

6%-8% Savings Achieved

Brand	Cost/Pcs.	Current Brand Share	Proposed Brand Share
Brand A	1.5	30%	20%
Brand B	1.25	10%	80%
Brand C	2.5	40%	
Brand D	3	20%	

Referring to the table, shifting to Brand B for in-patient Paracetamol 500mg Tablets yields significant savings. Meanwhile, favoring a higher-margin brand for outpatients proves more profitable.

Phase 2: Strategic Sourcing Project Execution & Implementation



5%-10% Additional Savings

