ProcurePort®
eSourcing OnDemand

Leading Pharmacy Benefits Manager (PBM) Implements ProcurePort eSourcing to Efficiently Source Prescription Drugs

Case Study

Company Profile

Leading pharmacy benefits manager (PBM) that partners with leading health plans, hospitals employers to manage benefits for millions of patients around the globe. Their model delivers value by controlling costs for plan sponsors. The company achieves high customer satisfaction by delivering performance in cost control along with transparency and flexibility in transactions.

ProcurePort Solutions and Services Utilized

- **Strategic Sourcing –** eSourcing, eAuction, Optimization
- **Supplier Management**
- **Integration Services –** Customization

Summary

- Implementing a procurement platform that improved both the economics and efficiency of securing prescriptions from suppliers was critical to the business model of the pharmacy benefits manager (PBM).
- With ProcurePort as an integral partner, the PBM deployed an eSourcing platform that allowed it to successfully source thousands of SKUs with an efficient, competitive process and generate up to 50% in annualized cost savings per sourced category.
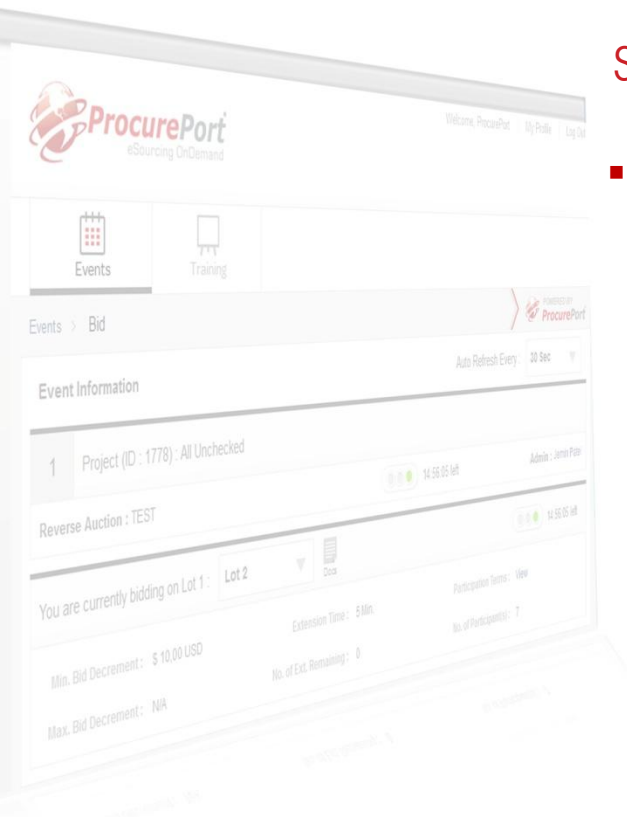
Business objective

- Improve economics and efficiency of managing pharmacy benefits by providing a platform for competitive bidding and automating collection of drug pricing from suppliers

Procurement challenges

- Lack of capability to implement market-based pricing on tens of thousands of generic and branded drugs, resulting in lost sales and higher costs
- No mechanism to efficiently drive supplier competition and increase supplier participation

Selecting ProcurePort to meet their procurement challenges

- The client evaluated a range of procurement solution providers and selected ProcurePort for two reasons:

  1. ProcurePort demonstrated understanding of the unique business and procurement needs for the client. Beyond that, the ability to customize the platform to meet the client's unique process needs was a key differentiator.

  2. ProcurePort's technology platform provided both the basic and advanced functionality that was essential to implementing the procurement requirements. For example, the capability to upload and manage large data sets for each auction and run multiple auctions in parallel was a key requirement met by ProcurePort's platform.

ProcurePort Advantage

- **Configurable** solution to meet procurement and business requirements
  - ➢ Integrated with internal ERP system to obtain real-time volume requirements and pricing updates
  - ➢ Simplified setup and bid page with customization to maximize user experience and improve bid efficiency

- **Advanced capability to** create efficiency for both buyers and suppliers
  - ➢ Real-time bid analysis, optimization and visibility for participating suppliers.
  - ➢ Bid optimization at the group or item level
  - ➢ Ability to dynamically update price for thousands of SKUs
  - ➢ Utilize advanced configuration of proprietary rules engine to calculate pricing and overall ranking, based on contracted, negotiated and wholesale pricing
  - ➢ Suppliers can change bid in real-time, based on current rank of their bid

- **Easy-to-use** solution
  - ➢ Self-run by commodity managers, after initial training by ProcurePort

Results from Strategic Sourcing Adoption

- The ProcurePort solution offered the capability and integration to handle complexity at scale and address key procurement challenges

- ProcurePort Sourcing Suite utilized to source 50,000 to 60,000 SKUs monthly

- The Pharmacy Manager realized annualized savings for individual categories, ranging from 5% to 50% in procurement costs depending on the category

About ProcurePort®

- ProcurePort is a leader in providing cloud hosted e-procurement solutions and strategic sourcing services. The ProcurePort® Procurement Solution Suite provides an easy to use, powerful, comprehensive and proven e-sourcing toolkit for organizations of any size.

- ProcurePort's consulting services and flexible deployment options, enable organizations across a range of industries to improve spend management, automate processes and achieve procurement excellence.

- ProcurePort's on-demand e-procurement solutions are cloud hosted in a Tier IV SSAE 16 Type II compliant data center, providing the highest level of data security and confidentiality.

Solution	Spend Analysis	Strategic Sourcing	Contract Management	Supplier Management	Integration Services
Technology	eAnalyze	eRFX	eContracts	eProfile	ERP-ready
		eAuction			Brand-ready
		eOptimize			
		eMarketplace			
Service	Cleanse	Full-service events		Enhance	Customize
	Normalize				Integrate
	Classify				

ProcurePort® Procurement Solution Suite