



GUARDIAN

DENTISTRY PARTNERS

A CASE STUDY ON THE
SUPPLY CHAIN CONSULTING
SERVICES PROVIDED BY

SOURCECLUB



SNAPSHOT BEFORE & AFTER

Before

- ◇ Products on Formulary: 7,800
- ◇ # of Suppliers Utilized: 45

After

- ◇ Products on Formulary: 2,200
- ◇ # of Suppliers Utilized: 12
- ◇ Supply Spend(%): reduced 3 points

Total Savings:

\$1.5M Annually!

Customer Overview

Guardian Dentistry Partners is an industry leading and rapidly growing Dental Partnership Organization (DPO). Due to their acquisitions based growth model, Guardian's team needed to unify and standardize their supply chain and procurement processes across their network of offices. Offices were ordering from different suppliers and utilizing different formularies, while also placing orders on different procurement platforms. This non-standardized approach didn't allow Guardian to properly leverage their purchasing power to drive better economies of scale, and ultimately left them without the ability to negotiate better pricing.

Enter SourceClub, a Strategic Sourcing Partner for dental groups of all sizes.





Phase 1

Distributor RFP

Total Financial Impact: ~\$600k

Goal: The goal of phase 1 is to identify which distributors represent the best value, price, and partnership for Guardian. SourceClub implemented a robust RFP that evaluated every single SKU on Guardian's initial formulary (created by SourceClub), and calculated the actual savings on a line by line basis for each distributor.

Results:

- ◇ ~\$600 in annualized savings on exactly the same products
- ◇ Yearly Corporate Conference Sponsorship

Phase 2

Non-Clinical Consolidation

Total Financial Impact: ~\$500k

Goal: To consolidate Guardian's non-clinically sensitive products. The consolidation of these products allowed Guardian to combine their practices purchasing power for leverage directly with manufacturers. The secondary goal of this phase was to reduce the overall number of SKU's on the formulary for easier "shopability" by the practices along with becoming easier to manage for future RFP's and negotiations.

Results:

- ◇ ~\$500k in annualized savings
- ◇ 3,800 products being removed from the formulary

PROJECT OVERVIEW

Phase 3

Clinical Consolidation

Total Financial Impact: ~\$400k

Goal: To identify which manufacturers are willing to provide the best value, service, and overall partnership to Guardian. SourceClub, in partnership with Guardian's Product focused Clinical Advisory Board (PCAB), evaluated every clinical product and category being consolidated.

SourceClub negotiated directly with every manufacturer, category by category, to ensure Guardian received the best partnership and value for every clinically sensitive product line.

Results:

- ◇ ~\$400k in annualized savings
- ◇ 1,800 products being removed from formulary

GUARDIAN QUOTE:



“The challenges of the current economic environment and its impact on procurement, must be addressed with a strong strategy and a great depth of knowledge and expertise. I can say without hesitation, that SourceClub provided Guardian Dentistry Partners with world-class support. We are proud to continue our partnership with SourceClub into the future” - Mark Censoprano, President.

SOURCECLUB

“Let us worry about vendor negotiations. You focus on patient care.”

Results:

- ◇ \$1.5M in Annual Savings
- ◇ Yearly Corporate Conference Allocation
- ◇ Additional Corporate Conf. Sponsorships
- ◇ ~5,600 Products Removed From Formulary
- ◇ Average Supply Spend reduction by 3 points
 - ◇ Office Supply Consolidation
- ◇ Procurement Software implementation

Conclusion

A growing dental organization requires a strong, dynamic procurement strategy. Through the partnership with SourceClub, Guardian successfully built a proactive supply chain department that strengthened their procurement processes and procedures. Through its expertise, SourceClub was able to help shape a supply chain department that will continually deliver savings to the organization as they continue scale. Guardian Dentistry is now proudly able to say their supply budget for their practices has been reduced to below industry standard.

