Case Study: Healthcare Logistics & Distribution Company

Cost-Savings, Carrier Consolidation and Technology Implementation

Case Study: Healthcare Logistics & Distribution Company

Client Overview

Founded in 1968, the client has provided provides quality supplies, services and support, specializing in diabetes supplies, ostomy supplies, wound care supplies, urology supplies, incontinence supplies and enteral nutrition products.

The client was purchased in 2017 by a global healthcare services company to expand the organization's ability to serve the continuum of care into the patient's home.

With logistics platforms strategically located in the United States and Europe, the client now serves markets where three quarters of global healthcare spending occurs.

Their customers include independent hospitals, large integrated healthcare networks, group purchasing organizations, healthcare products manufacturers and the federal government.
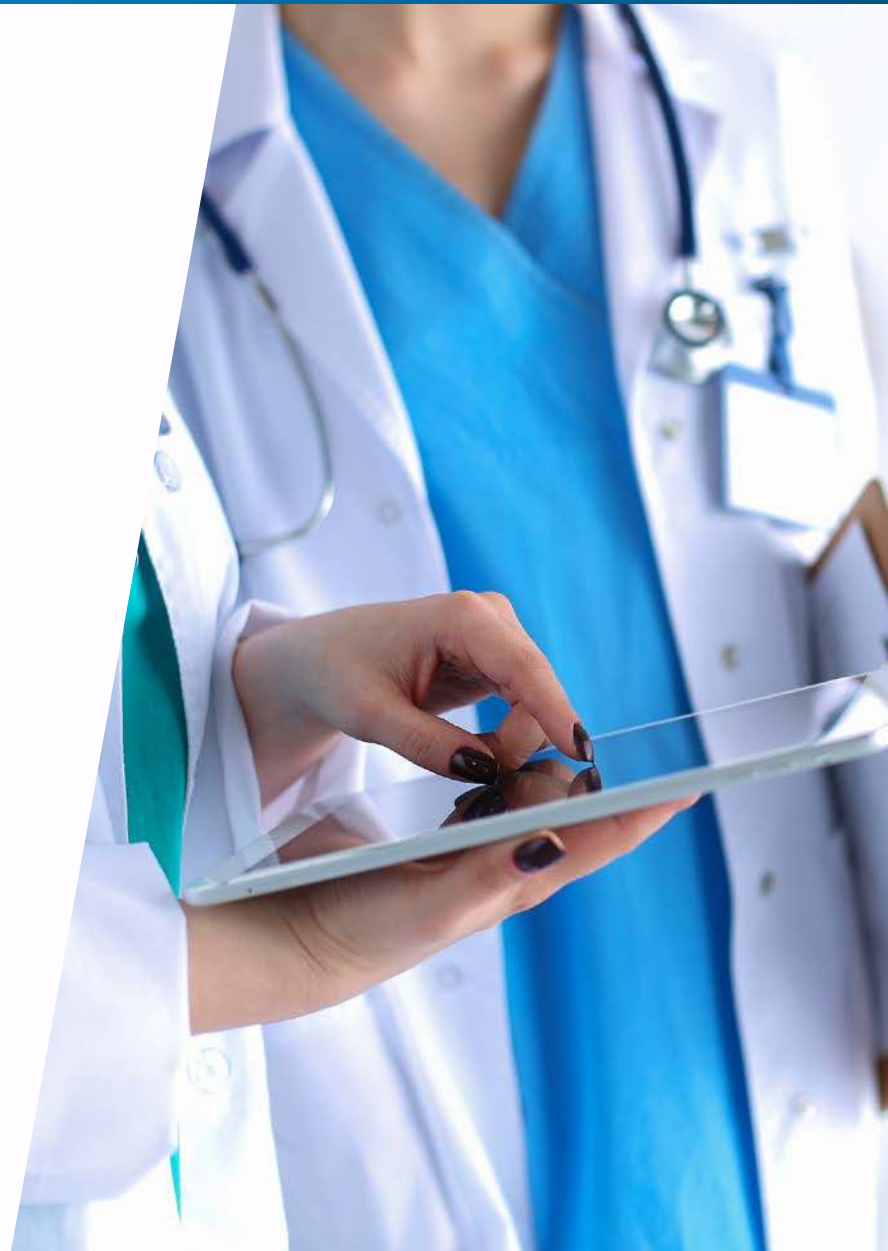
Industry
Healthcare

Founded
1982

Employees
5,001-10,000

Headquarters
Richmond, Virginia

Business Challenges

Overspending on IT Services

The client's monthly charges had reached more than $55,000 per month. They did not have the resources to manage the technology or keep track of the monthly charges and rates.

Contracts on Auto-Renewal

The auto-renewal of contracts meant that the client was paying above market rates on all their services.

Legacy Voice Services

The client was using legacy voice services such as Plain Old Telephone Services (POTS), Primary Rate Interface (PRI), Remote Call Forwarding (RCF), Dedicated Long-Distance and Toll-Free Services.

Carrier Complexities

There were 12 different telecom carriers across 18 locations resulting in 80 different billing accounts. The accounts payable department did not have the resources or knowledge to manage the invoices.

Lack of IT Resources

The IT department did not have the resources on staff to keep track of all the different services, rates, invoices and contracts. Accounts payable was unsure of the technology and services.

User Experience

Customers and vendors were experiencing a terrible user experience due to the client's RCF platform. The platform was routing calls to the wrong departments and locations. Frustration increased among users and resulted in higher costs for the client.

Solutions

Comprehensive Audit & Analysis

GCG conducted a full audit and analysis of the client's invoices, contracts and services. This covered the past six months of monthly charges along with service usage.

GCG worked with the client and carriers directly to obtain all necessary documentation. The audit and analysis took 60 days to complete due to the complexities of the invoices, rates, taxes, services and multitude of telecom carriers.

Cost-Savings Recommendations

The findings and recommendations were presented to the client once GCG had an understanding of client's technology environment and spending.

This included identifying where the client was being overcharged on their long distance and toll-free services. Initial pricing showed an estimated cost-savings of 20% when compared to their existing services.

Solution Engineering

GCG provided in-house solution engineering to develop a technology roadmap for the client's IT. This included discussions on how they could save by upgrading their technology from an on-premise PBX to a hosted VoIP solution.

RFP Management

GCG took ownership of writing and managing the Request for Proposal (RFP) process. The RFP process defined the client objectives, technology strategy, budget and timeline.

GCG worked with the client to write the RFP and distribute it to eight carriers that could provide service to all 18 locations.

The RFP process took a total of two months to complete. GCG would work directly with the client as an extension of the team to manage the RFP responses, provide updates and make recommendations.

Carrier Finalists & Selection

The client was able to select three finalists for the contract. GCG provided additional research, insight and final recommendations to the client.

The client was able to select the right carrier based on goals and objectives set at the beginning of the project.

Negotiating Pricing & Terms

Once selected, GCG negotiated pricing and contract terms with the final carrier. The client's legal team reviewed the contracts and signed the agreement.

Project Management & Implementation

GCG's back office support team immediately went to work providing project management and account support for implementing the technology and carrier services.

The project management team held weekly status calls, ensuring that timelines were being met, testing, and turnup of voice services.

Results

23% Cost-Savings

GCG was able to reduce the client's monthly charges by 23% on their voice related services by implementing a hosted VoIP solution and single carrier solution at a much lower rate.

The client's monthly charges decreased $12,000 from $55,000 to $43,000.

Consolidated Carriers

Consolidating and streamlining the number of carriers and billing accounts was another top priority for the client.

GCG was able to help the client reduce the number of carriers providing their voice services from 12 to one for all 18 locations.

Simplified Billing & Invoicing

Because of the consolidation, the number of billing accounts also decreased from 80 to one. This allowed the client to free up budgets and reallocate staff to critical areas of the business.

Corrected Call Routing Issues

Customer satisfaction improved greatly because of the new RCF platform. Calls were accurately being routed to the right departments and locations. GCG and their new telecom carrier to set this up correctly the first time.

Changes to the RCF platform were also easier now that the number of carrier services were consolidated to a single carrier.

Ongoing Account Management

GCG continues to provide ongoing account management support . This includes regular auditing and analysis of all voice related services to ensure accuracy of billing and invoices.

Account management also includes helping the client renegotiate local and long-distance rates at contract expiration.

"GCG has the expertise to make IT simple for you."

With access to best-in-class technologies, suppliers and engineering resources, GCG delivers the highest level of IT advisory and account support.

GCG offers access to more than 168 telecom carriers, ISPs, network providers, cloud providers, data centers, MSPs and cybersecurity companies globally.

As a client, you will benefit from their hands-on approach and 100% unbiased and independent IT advisory services.

(877) 708-8900

gcgcom.com