

Case Study – Healthcare

Highlights

Profile

Leading healthcare organization

Clients Environment

- $20,000,000 annual budget
- 600+ Invoices
- 60+ Service Providers
- 760 Locations

Needs

- No disruptions
- No downtime
- Identify all active services
- Reduce budget
- Audit & Optimize
- Consolidate recent acquisitions
- Centralize information flow
- Automate processes

Results

- **$6.1 Million** in annual savings accomplished
- All targets met or exceeded, including ROI

Background

A leading healthcare organization with hundreds of locations throughout Georgia spends over $20 million a year, processing more than 600 invoices across more than 60 suppliers. It has a wide array of specialty offices, imaging centers, primary care facilities, hospitals and more, all of which depend on telecom services to get the job done.

Our client is fueled by commitments to excellence, compassion and community and offers many types of services, from emergency care to disease management. Some of its specialties include cancer, cardiovascular, imaging, maternity, orthopedics, and surgery. As you can imagine, these settings call for unique, intricate telecom environments that must support complex technologies and ever-evolving regulatory demands.

As complexity rises, it's easy to miss things. An extra fee here, an out-of-service device there — it adds up and hurts the bottom line. By preventing unnecessary telecom spending, hospitals can redirect funds to more important things, like patient care and research. They can also simplify day-to-day operations and ensure that services stay operational in a setting where interruptions are simply not an option.

To keep these lifesaving practices moving and help the company improve its offerings, we stepped in to optimize their telecom infrastructure, processes, and create savings.

Objectives

This client was dealing with aging technology. Many services were disjointed and decentralized, restricting their invoicing-to-payment process, and causing problems maintaining an accurate service inventory. Newly acquired medical practices were using non-standardized services, and their systems were not optimized for their current needs.

Together, we came up with the following goals:

1. Create a seamless transition to a new and improved telecom expense management solution.
2. Identify, update, and optimize current voice and data services.
3. Replace out-of-market pricing and older technology with more efficient, modernized systems.
4. Standardize services across recently acquired medical facilities.
5. Create a flexible invoice payment process.
6. Centralize ordering processes to maintain inventory accuracy.
7. Create $2.2 million in annualized savings.

The Solution

To meet these goals, we implemented our Telecom Expense & Asset Optimization Audit (TEAO) and Telecom Expense Management (TEM) services. These services would allow us to build up a more efficient, centralized system and outsource the client's expense management to our proactive team.

Telecom Expense & Asset Optimization Audit

Our in-depth optimization services allowed us to review the client's existing telecom infrastructure and find areas for improvement. We identified all services, made assessments and recommendations, kept what made sense and got rid of what didn't. We then replaced outdated services with cost-efficient infrastructure. We implemented all client-approved recommendations. During this step, we identified and optimized the following:

- **Inventory**: Client's many locations and practice acquisitions meant they had a range of telecom elements in place, such as telephones, vendors, and contracts. CMG identified all active inventory via site visits, voice and data traffic studies, remote validation, and invoice reviews. We made sure that anything that wasn't in use would no longer impact their budget.
- **Expenses**: A deep analysis of charges complements our inventory assessment. By analyzing expense and inventory baselines and comparing them with contracts, we're able to ensure rate accuracy and compare payments with alternative options. This is how we ensure our clients are not overpaying or being charged more than necessary.

- **Processes**: Our client's existing infrastructure (often inherited during acquisition) and out-of-date systems complicated their efforts to maximize efficiency. During our optimization phase, we eliminated inefficiencies, manual work, added validation points and controls, and improved accuracy. Some examples include adding automation, outsourcing repetitive tasks, standardizing controls, streamlining invoice processing, reconciliation, and payment processes, and increasing reporting and visibility overall. We identified areas to enact these changes and saw where our TEM services would have positive effects.

Telecom Expense Management

We transitioned the company from their prior TEM vendor to CMG's Itemize platform. With this toolset, we centralized their invoicing and order processing within 90 days. The many locations, elements and vendors under the client's healthcare umbrella are now managed in one place.

Our TEM solution offers a more advanced platform, encompassing a range of expense management tasks that helped reduce errors and increase visibility. Itemize creates a centralized location and consistent processes for all client facilities. CMG's proactive approach creates a constant search for ways to save, such as comparing costs to current market rates. Plus, outsourcing expense management alleviates administration demands for the hospital group and its affiliated healthcare practices.

Our team does more than check for inaccuracies — we work proactively to prevent late fees and service interruptions and identify and dispute extra costs to keep expenses low. We also provide more control and standardization for telecom expenses to meet the complex demands of a large healthcare environment.

The Results

Thanks to our TEAO and TEM services, our client experienced a swift transition to a more comprehensive solution. The redesigned infrastructure created a flexible foundation for the future to accommodate new acquisitions and other business changes. Centralizing a complex telecom environment of a large healthcare provider, and streamlining processes, while reducing staff labor requirements was achieved at the same time savings recommendations were implemented. Here are some of the things we accomplished with this growing healthcare organization:

- Identified and implemented **$6.1 million** in annual savings
- Reduced staff processing time by **30%** with process automation improvements and improved visibility across IT and finance teams.
- Created a complete service inventory for 100% of client's active services by conducting site visits, voice and data traffic studies, invoice audits, and contract reviews.
- Identified another **$370K** in upcoming savings via optimizations and contract renegotiations with an optimized service inventory and a competitive market-rate analysis.
- Performed all the work above for a network of hospitals and healthcare facilities during the height of the Covid-19 pandemic without disruption to service or employee workload.

Our client was able to alleviate its telecom problems, work efficiently, and enjoy a high return on investment.

Working With CMG

CMG's expertise in telecom expense management extends to complex, dynamic environments found in the healthcare industry. CMG knows how to work with highly regulated and technologically advanced clients. We work closely with your business leveraging our tools, resources, and methodologies to deliver the results you need.

Data collected is turned into actionable insights to reduce your telecom costs and burdens. Reach out to us today to learn more about working with CMG and how we can optimize your telecom demands.

Linked sources:

1. https://costmg.com/tem-lifecycle-management/telecom-expense-audit-optimization-teao/
2. https://costmg.com/tem-lifecycle-management/expense-management/
3. https://costmg.com/are-you-getting-reports-or-results/
4. https://costmg.com/contact-us/

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