

# Member Uncovers \$100,000+ in Annual Savings Through Spend Optimization

## Member Profile

This Member is a privately owned, single-site skilled nursing facility that provides rehab, long-term care and assisted living options.

## The Challenge

The financial pressures of being a privately-owned skilled nursing facility necessitated cost savings measures, and Foodbuy was engaged to help with the efforts. The Member also engaged a competitor GPO to compare benefits.

Ultimately, the Foodbuy guidance and cost savings proved to be significantly more impactful, so communication with the other GPO was ended early in the review process.

## The Solution

The Foodbuy team performed a dining spend optimization. The results suggested slight modifications to food orders that would decrease off invoice spend by 9% annually while increasing quarterly rebates earned by 33%.

Additionally, the optimization revealed that disposable products like paper goods, liners, and plastic utensils could be acquired from other partners for 21% savings. An additional spending review was performed with cleaning chemicals, leading to estimated savings 45% savings annually. Working through a healthcare-specific Foodbuy GPO partner, the Member saved an additional 10%, and 55% annual savings on medical supplies and over-the-counter medications.

## The Results

Once vendors were consolidated, the Member could benefit from streamlined ordering, saving their team both time and money.

**Implementing all the suggested changes would equate to over \$100,000 of savings annually.**



9% savings off invoice for food spend



33% increase in manufacturer rebates



21% estimated savings on disposable products



45% estimated savings on kitchen cleaning chemicals