

Healthcare Organisation Finds 25% Savings in Multiple Cost Categories

The Organisation

The organisation is one of Australia's leading provider in the health care industry, providing high and assisted level care to over 150 patients, as well as special care to more than 50 individuals. Additionally, the organisation employs more than 75 staffs.

The organisation engaged Expense Reduction Analysts (ERA) to look at several cost categories across their business.



The Savings

- **Waste Management - 30% savings**

The challenge was that waste costs were increasing disproportionately to business growth. Using its industry knowledge, ERA was able to introduce savings across general waste, recyclables, clinical waste, and grease traps.

- **Contenance Products - 19% savings**

The main challenges faced by the organisation in the management of the continence products were multiple suppliers and low visibility on what was driving increasing expenditure. The client was pleased with the value delivered by ERA's analysis, ongoing reporting and supplier management following implementation.

- **Bread and Milk - 24% savings**

An examination of the types of milk and bread, quantities used and the ordering patterns across the group highlighted a wide variance in prices being charged for similar items. After a competitive market review across both categories, a single group-wide price schedule was implemented across all facilities.

- **Chemicals/Cleaning Supplies - 27% Savings**

ERA was engaged to determine if consolidating supplier numbers could provide a cost and value benefit. A competitive market review was undertaken. The outcome enabled the client to choose a single supplier from among the incumbents to provide all requirements for this category.

"In the past suppliers and supplier agreements were not managed with the vigour and thoroughness befitting their importance to our business. Now, when we review a major supplier we utilise the expertise of ERA to benefit our business in cost savings that may not have been forthcoming in the past. We are pleased with the friendly approach and constant communication ERA delivers at all times and we look forward to continuing the relationship."
--- **Director of the organisation**