

# Case Study



## AliMed Leverages the GHX Community to Enhance Customer Relationships and Gain a Competitive Edge

### Challenges

Manually managing orders and invoices puts a drain on healthcare providers' already limited resources. Recognizing that its customers needed a more efficient, cost-effective and accurate way to transact business, AliMed approached GHX for a solution. AliMed hoped to bring value to its customers by automating the procure-to-pay process, thereby reducing manual labor and associated administrative costs.

"We recognize that hospitals are being forced to do more with less so we wanted to find a way to relieve some of that burden by making it easier for our customers to transact business with us," said Carol Welch, Account Care Team manager for AliMed. "Furthermore, by partnering with GHX, we hoped to grow our business by opening the door to the more than 3,900 GHX provider members on the Exchange."

### Solution

GHX facilitated an accelerated boarding process for AliMed, comparing AliMed's customer master with a list of GHX healthcare provider members to quickly determine which AliMed customers were live on the GHX Exchange. This enabled AliMed to on-board more than 1,400 customers in a matter of months.

"The onboarding process was a huge positive from an IT resources perspective as compared to other electronic mechanisms like EDI," said Welch. "To connect via EDI with customers outside of GHX requires individual connections and customized mapping. It would have taken our MIS department years to connect with this many customers if we had done it outside of GHX. Now we can just go right in and link up directly with new customers without the time and expense that comes with setting each one up individually."

### Building Relationships

As part of the integration process, GHX facilitated a pilot program between AliMed and one of its GHX member customers, Baystate Health, a 783-bed integrated healthcare system with four facilities in western Massachusetts. As part of the pilot, AliMed staff visited Baystate's materials management department to gain a better understanding of how customers interact with the GHX Exchange.

According to Yvonne Grondin, assistant director of Materials & Procurement for Baystate Health, the pilot program benefitted both parties. The knowledge that

### Organization:

Based in Dedham, MA, AliMed is a leading designer, manufacturer and distributor of patient care, rehabilitation, operating room, critical care, diagnostic imaging, orthopedics and ergonomic products. Through its proprietary-branded product lines and its relationship with more than 500 suppliers, AliMed distributes more than 77,000 different products to healthcare facilities and businesses worldwide.

### GHX Products:

- Business Solutions
- GHX Exchange

### Highlights:

Leveraged the GHX collaborative trading partner community to increase the accuracy and efficiency of the procure-to-pay process, improve response times and build stronger customer relationships.



"Customers and other trading partners are pushing for suppliers to integrate with GHX because they derive significant value from the GHX community and want to extend that as far as they can and with as many trading partners as they can. GHX has such a loyal customer base and we are really passionate about getting the word out that AliMed is now a member of the Exchange."

—Carol Welch, Account Care Team Manager, AliMed

AliMed derived from its work with Baystate has enabled AliMed to better meet Baystate's needs and in turn, improve procure-to-pay processes all around.

"Working through GHX has enabled us to build relationships with our suppliers to the point where we are not just a number, but a partner," said Grondin. "We were very pleased to have the opportunity to serve as a pilot site and appreciated the fact that AliMed was willing to meet with us to better understand our processes and determine what it could do to make it easier and more cost-effective for us to do business with them."

Steve Bonda, Account Care Team assistant manager for AliMed, highlights the value that the GHX community offers suppliers such as AliMed, including opportunities to network and strengthen customer relationships. "The annual GHX Healthcare Supply Chain Summit is an incredible opportunity to meet face to face with customers," he said. "The collaborative environment that GHX provides is unique in the industry and invaluable as suppliers work to provide value beyond products and price."

### Delivering Value

Bonda believes efficiency of processes and improved order accuracy are the greatest benefits derived to date from GHX membership. "It has been such a positive experience engaging with customers through GHX because it really does make things easier for everyone," he said.

In addition to cleaner orders that are processed faster, GHX has also enabled AliMed to improve its customer response times. Today, AliMed responds to 70 percent of customer inquiries in less than one hour, with 42 percent of inquiries addressed between 30 and 60 minutes and 28 percent in under 30 minutes.

Grondin agrees that GHX has improved the way Baystate transacts business with AliMed, citing ease of order processing, faster turnaround times

and improved order accuracy as key benefits.

"The standardization that GHX provides is a huge advantage," she said. "Transacting with suppliers through GHX streamlines our processes by reducing the necessary touch points, enabling us to turn around POs at a much lower administrative cost."

### Gaining a Competitive Advantage

By making it easier for customers to conduct business with AliMed, Welch anticipates that the company will derive incremental business from existing customers. To get the word out about its GHX membership, AliMed's customer service representatives are notifying customers and GHX is working with AliMed's sales force to educate them on GHX's value.

### Results

AliMed went live with GHX in the fall of 2011. By the end of Q2 2012, the organization was transacting electronically with more than 500 healthcare providers through the GHX Exchange, processing in excess of 5 percent of all PO volume during the first six months of 2012.

### Benefits

Working with GHX community, AliMed has achieved the following:

- Process automation with 5% of all sales transacted through the GHX Exchange through August 2012
- More efficient and accurate order processing, reducing administrative costs for AliMed and its customers
- The ability to leverage existing IT resources to significantly grow electronic trading partner connections, with more than 1,400 boarded connections through August 2012
- Stronger customer relationships enabled by the GHX collaborative trading partner community
- A competitive edge in the healthcare marketplace, with access to more than 3,900 GHX provider members on the Exchange