



SUCCESS STORY: MEDLINE INDUSTRIES UNIVERSITY OF PITTSBURGH

Medline Industries Enhances Contract Utilization at the University of Pittsburgh

The Situation

University of Pittsburgh (Pitt) needed to fill a hole in their supplier contract portfolio for medical/surgical supplies. They were struggling to find a supplier willing to agree on a mutually-beneficial contract. The biggest problem Pitt was facing involved non-contract spend on campus. In one large research department alone, 90% of their spend was off-contract. The university also needed to streamline reporting, tracking of spend habits, and budgeting.

The Obstacles

Slow Adoption

Pitt signed up for E&I's Medline contract to source medical/surgical supplies, including medical apparel, scrubs, gloves, nursing supplies, cleaning products for the OR and labs, and wound management products. The university expected quick campus-wide adoption of the contract, but the adoption was startlingly slow.

The first year after implementation, campus spend with Medline was only \$5,000.

Supplier Preference

The biggest challenge was convincing departments and researchers who were set in the suppliers they had used for years to switch to contracted spend with a new supplier. Lab teams don't change easily, and Pitt was using smaller, regional competitors that had been established on campus for a long time.

Freight & Inventory

Another important problem Pitt was having included the amount of space used for freight and inventory. They were looking to free up space on campus for more research and to support green initiatives.



We get all-around support from Medline, in addition to advantageous pricing. When they visit us every week, we understand that this is a dedicated resource they are providing beyond just financial assistance. It has paid off in dividends.

Michelle Smith
Sourcing Specialist,
University of Pittsburgh



MEDLINE INDUSTRIES BENEFITS BEYOND COST SAVINGS

Everyone knows when it's Wednesday because that's when Medline is here, and, as a result, that's when we really see a spike in spend.

Michelle Smith,
Sourcing Specialist,
University of Pittsburgh

The Actions

Medline brought in a **local dedicated representative** who visited campus on a weekly basis, meeting with different departments. "Everyone knows when it's Wednesday because that's when Medline is here, and, as a result, that's when we really see a spike in spend." – Michelle Smith, Sourcing Specialist, University of Pittsburgh.

Medline and Pitt worked collaboratively on **data sharing**, analyzing spend and proactively tackling new categories and leads to source new products.

The data gleaned from conversations helped Medline **identify departments to target** for conversion of non-contract spend. On average, Medline offers Pitt 2-3% discounts on branded items and 25-26% discount on Medline items.

To address the freight and inventory issue, Medline arranged for **fewer deliveries**; next-day shipments are used when needed, reducing inventory space.

The Results

Medline contract utilization increased significantly, and faculty response has been overwhelmingly positive.

In addition to \$100,000 in product savings last year, the University has

realized \$40,000 in freight savings in one department alone.

Spend in year two was \$132,000 and reached \$305,000 in only the first quarter of year three.

By integrating with the campus' punch-out program, buyers save time by tracking spend and creating custom shopping lists. Fewer trucks on campus supports Pitt's ongoing green initiatives. Eliminating inventory holding has freed up significant space that can be given back to research and learning.

"We've had other suppliers that we never saw again once the contract was signed," said Smith. "But Medline has been a true partner and has transformed the way we source our medical and surgical supplies. They've been an invaluable addition to our portfolio."

For more information, please contact Mike Costigan, *Portfolio Support Executive - Scientific*, at mcostigan@eandi.org.



About Medline Industries

Medline is a global manufacturer and distributor serving the health-care industry with medical and surgical supplies, uniquely positioned to provide products, education, and support across the continuum of care. Headquartered in Northfield, Ill., the company offers 550,000+ medical devices and support services through more than 1,600 direct sales representatives who are dedicated points of contact for customers across the continuum of care. For more information on Medline, go to www.medline.com or www.medline.com/social-media to connect with Medline on its social media channels.

About E&I

With nearly 5,000 institutional members, E&I Cooperative Services is the member-owned, non-profit sourcing cooperative focused on education. Established in 1934, E&I provides members with access to a diverse portfolio of competitively awarded contracts and electronic procurement solutions to help reduce costs, save time, and optimize supply chain efficiencies.