Navigating Healthcare Specifications for High Savings

Case Study

Forsyth employed by a Private Equity-owned manufacturer and distributor of medical equipment that was consistently unsuccessful when bidding new business. Having worked in Healthcare and Medical previously, Forsyth was able to maneuver the highly specified environment with niche suppliers. The engagement resulted in $1.9M identified cost savings (24% reduction), a $422,000 increase in available cash through payment terms improvements, and market alignment with costs through benchmarking and alternative vendor identification.

"Our focus on collaboration makes it even easier to add value to our client's projects" –**John Shanahan, Senior Project Manager, Forsyth Advisors**

Outcome

10%
EBITDA Improvement

5.4 Day Reduction
Time to Cash in Hand

$422,000
Cash Improvement

24% Category Savings
Direct Material Categories

Our Approach

Discovery Process: As each client is unique, Forsyth focused on understanding current processes as well as historical data on spend, direct and otherwise.

Diversification: RFP processes solicited multiple alternative vendors, providing cost savings and supplier diversification

Rigorous Benchmarking: With historical spend data, Forsyth created a Request for Quote program against specifications to gather market pricing and compare to current

Long Term Strategy: Forsyth developed a foundation for future bidding work as the specs were updated and available for distribution.

Challenges Resolved

insufficient Specifications: Forsyth determined that current product specifications were insufficient to ensure alternative vendors were quoting accurately.

Distribution Operations Underperforming: Client was profitable, but struggled with consistent performance, operationally.

Highly Specified Industry: Healthcare and Medical industries have specifications that rival the government. Forsyth's experience managing those specs led to efficiencies in quoting and transitioning business efficiently.