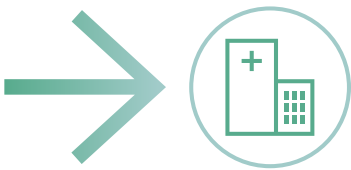


## A health system optimizes its investment



A not-for-profit healthcare organization in Florida was planning a new inpatient facility on their medical campus to help them deliver the next generation of care. A streamlined procurement approach would allow them to maximize savings on their initial purchase and optimize their long-term investment through simplified operations.

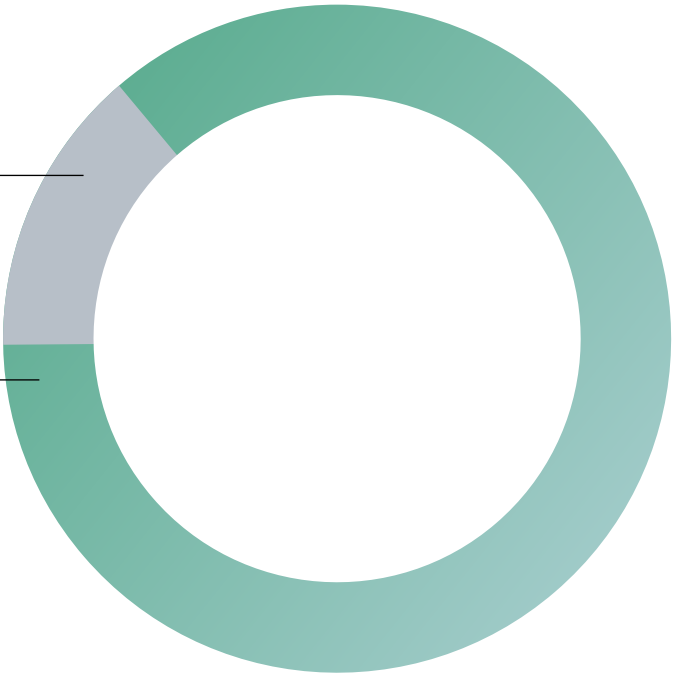
- Objective**  
Streamline purchasing to optimize savings
- Tactics**  
Reduce vendors
- Outcomes**  
5.5% savings

Reducing costs is often top of mind for health system leaders, yet a narrow focus on unit price alone can lead to **increased costs**.

**15% PRODUCT COST**

**85% PLANNING AND OPERATIONAL COSTS**

Disposition, Operation, Warranty, Installation, Procurement, Specification, Planning





# Working with multiple manufacturers creates complexity and risk that can be avoided with a partner like MillerKnoll.

---

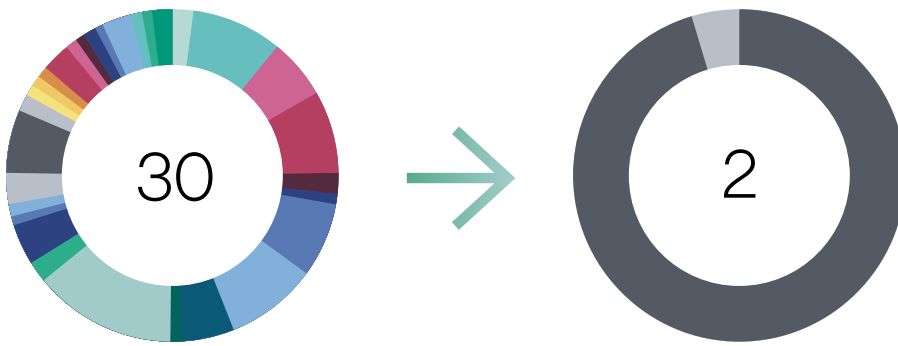
## Reduced complexity and cost

As with most organizations, containing costs in construction projects is a top goal. Over the years, the organization developed furniture standards to help them achieve this goal. Each furniture product in their standards program was carefully selected based on functionality and price. Their standards program was leveraged to complete the design of the furnishings in the new facility.

MillerKnoll, a long-time partner of the healthcare organization, discussed with them the ways we could help take time, complexity, and cost out of their projects. When we received the furniture RFP, we recognized the organization was including 30 furniture manufacturers from their standards program in the bid, adding costly complexity and risk to their project. In this scenario, dozens of different purchase orders would need to be generated, and the organization would lose out on volume discounting by fragmenting their purchases among a large number of vendors. Managing lead times, project delivery, and installation becomes more complex and difficult with 30 vendors. In addition, an assortment of furnishings makes it harder for the organization to provide a consistent brand experience for staff, employees, and guests. Once the furnishings are in place, understanding and navigating warranty terms creates confusion on what's covered and what's not when products need to be serviced. Working with multiple manufacturers creates complexity and introduces risk that can be avoided with a partner the size and depth of MillerKnoll.



MillerKnoll helps provide consistent brand experiences for employees and guests.



MillerKnoll's collective of brands had multiple options that met the specification on 96 percent of the RFP. This allowed the client to reduce the number of vendors on the project to 2 and decrease the risk and complexity of working with 30 different vendors.

## Reducing fragmentation

To demonstrate the ease and savings the customer could realize by reducing the number of vendors in their standards program, MillerKnoll completed an exercise of evaluating the RFP specifications to determine how much we could fulfill. With MillerKnoll's collective of brands and broad offer of furnishings, we were able to meet the RFP specifications for all but approximately 4 percent of the bid.

The result is striking. MillerKnoll's specifications came **5.5 percent under the total bid** of all participating manufacturers. Based on the volume and product mix within the MillerKnoll brands, this volume level qualified for our negotiated GPO tier level. We were able to show **a savings of 14.9 percent over our standard tier one level GPO pricing**. Additionally, by eliminating the fragmentation, the process from design to procurement to installation and Day 2 service is streamlined and simplified, helping them achieve better efficiencies that maximize their savings in upfront costs and throughout the life of the facility.

5.5%

Below Total Bid

14.9%

Savings

By partnering with MillerKnoll, you are able to enjoy top quality for a reduced cost relative to a fragmented approach. As we demonstrated to this customer, reducing fragmentation helped achieve better costs and efficiency. You don't need to settle for inferior quality just to save costs. You can enjoy furnishings that are born out of research, thoughtfully designed, and of better quality when you achieve savings from MillerKnoll for healthcare furnishings.



Reach out to your local rep to learn more about healthcare solutions from MillerKnoll.