Purchase Order Creation
Best Practices with Envi®

Inventory Optimization Solutions (IOS) is committed to continually sharing best practices that improve and streamline supply chain processes. With feedback from hundreds of Envi® users, we're pleased to offer recommendations to improve your healthcare organization's supply chain processes.

Why Best Practice-based Processes?

Best Practices in Purchase Order (PO) Creation focus on building **control and standardization**.

By establishing PO Creation Best Practices, you will:

- Drive internal buyers toward approved products
- Improve contract utilization
- Increase accessibility and visibility to more of your purchasing data for reporting
- Advance toward more automation in your supply chain

Why is this important? Every one of these steps saves money!

Seven Steps to Achieve Value

1. **Capture and understand your spend by creating Purchase Orders (POs) for the items you buy**

   ✓ Include all medical-surgical items, capital, maintenance and agreements for services

   ✓ Now, find the savings! Build the baseline to capture Return on Investment –

   - What can you measure? Identify your tools and available data
   - What can you save through standardization? Your team may be purchasing a wide range of different products from the same category
   - What can you save through contract optimization? Identify off contract purchases, drive your spend toward contracted items to maximize GPO discounts

2. **Build your purchase order history to build insight to spend**

   ✓ Materials Management Information System (MMIS) provides ongoing PO history, which helps you improve planning

   ✓ Analyze spend by items, categories, locations, procedures, physicians and identify standardization opportunities

   ✓ Reduce your dependency on vendors to provide your PO history – the one you build internally will be more complete

3. **Establish Best Practice products, then point your buyers to them!**

   ✓ Build an enterprise-wide formulary to drive purchasing toward approved products at your best prices

   ✓ Standardize ordering from your formulary to make purchasing easy for buyers across your organization, while still being in compliance with Best Practice products

Save money. Be efficient. Don't do it alone.
Contact us at sales@ioscorp.com or (800) 700-4467.
www.ioscorp.com

Success with Purchase Order Creation Best Practices

WINNER

"Driving standardization is key to savings and control. With good purchasing data, we've been able to reduce the number of items we buy within product categories and the number of vendors from which we purchase. We are also able to more effectively leverage our spend to achieve better pricing from manufacturers."

Rami Nofal
Touchstone Medical Imaging

"We have a centralized place to track spend. We can see what each surgery center orders and at what price, and with this information, can go back to our vendors and negotiate better pricing tiers and ensure greater consistency."

Taylor Richardson
Peachtree Orthopedics

4. Select and standardize manufacturers that provide the products and services you need most

✓ With your PO history, you'll be able to standardize to selected vendors and manufacturers for the best items, quality and price

✓ Make sure they're fully EDI capable, allowing automated orders, acknowledgements, advance ship notices and invoices

5. You really do need control systems and processes, so go ahead...
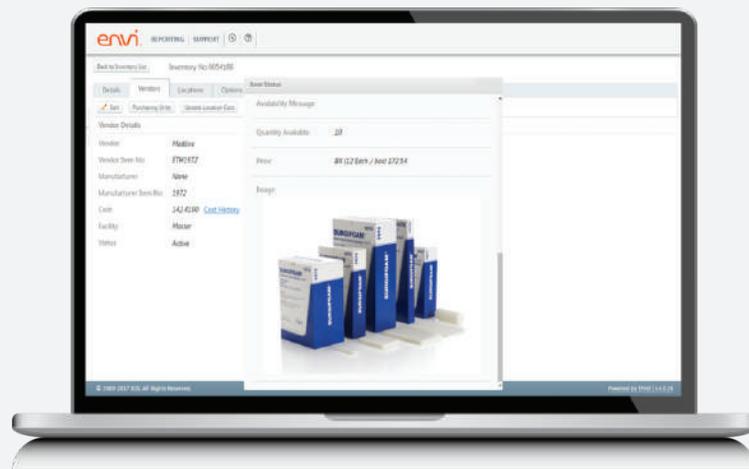
✓ Define user roles and approval processes. Make key decisions like determining who can change or approve a PO

6. Get your General Ledger codes in place for better reporting and budget analysis

✓ See where your spend goes, maximize your analytics with GL codes that help with classification

7. You're already measuring key stats – now let's measure your vendors (they can make or break your supply chain performance!)

✓ Track vendor performance against fill rates, delivery dates, backorders

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