

Customer Story

Delightful Contract Management with Levelpath at InnovaCare

60%

quicker cycle times than was previously the case

18%

consolidation of overlapping contracts

2

full-time employee salaries saved

Key Benefits

- ✓ Streamlined operations, with 60% faster cycle times
- ✓ Increased contract visibility, with a consolidation of 18% of overlapping contracts
- ✓ Established auto-renewal governance and savings
- ✓ Introduced faster facility compliance auditing with digital process
- ✓ Saved the salaries of two full-time employees through streamlined workflows and AI platform

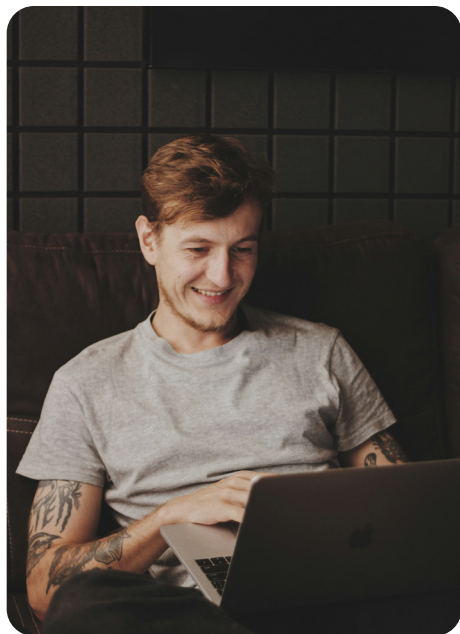
When InnovaCare Health, a personalized care provider that treats more than 250,000 patients across 47 facilities, looked to introduce a more structured and centralized approach to procurement, it turned to Levelpath's AI platform to provide the required visibility.

One of the main reasons for overhauling the existing structure was to introduce more rigor into the contracting process. Previously, individual facilities would use different suppliers on various contracting terms, often signing up to terms and conditions which may not have always been in the best interests of InnovaCare. It also meant there were inconsistencies, duplications and that many facilities were paying more than they should be.

“

“In the past our large-scale, high-volume contract consolidation process took multiple weeks to process. Levelpath streamlined and consolidated our contracting process across our 47 care facilities, ending the sleepless nights of InnovaCare’s manual data review.”

Patrick Michaud
Head of Procurement & Supplier Management



InnovaCare’s network presented substantial opportunities for economies of scale and streamlined procurement processes due to its significant buying power. Capitalizing on these opportunities required a comprehensive system capable of providing insights into both spend levels and supplier numbers. Levelpath’s platform addressed this need by offering a central repository for all contracts and supplier information, enabling InnovaCare to leverage its scale effectively and optimize its procurement strategies.

Disparate Contract Repositories & Inconsistent Terms

Procurement leader Patrick Michaud was brought into InnovaCare to oversee the transformation of the procurement strategy, and it was then that the issue with a lack of consolidated contracts storage first become clear. “When I joined, I asked all our different category groups to see their contracts, so I would get access to their repository,” he says.

“We had 20 or 30 different repositories and some paper contracts just sitting in clinics. It was all over the place. We needed to be able to quickly drag-and-drop in bulk all those contracts into a system and then work through a queue to get the metadata loaded in. We wanted the obvious controls and benefits to having a system driving our contracting process.

Streamlining Contract Management with Levelpath’s AI Platform

When the project was complete, it became clear there was significant duplication of contracts, resulting in both sub-optimal pricing and inefficiencies in terms of workload. “We could see that we were now on our eighth translation contract, for instance, and we needed to consolidate that into one or two suppliers for the entire enterprise.” says Michaud.

He estimates the business had around 4,000 suppliers. “Based on our spend volume, I was expecting about 400 or fewer, so as an organization, we were way over that,” Michaud says. “I knew there were a lot of consolidation opportunities where we would have another supplier that could provide that product or service in a different region, at a better rate structure and with better contracts.”

“

It's super-hard to see duplicates in our transactional record, but when we started loading contracts into Levelpath, we would notice there was overlap.”

Manuk Ozcan
Head Of Financial
Planning & Analytics



18%

of contracts have been consolidated

Levelpath's platform meant Michaud could easily see where contracts could be consolidated into fewer suppliers, and renegotiated to ensure the price reflected the volume of spend. This has involved working closely with the individual facilities, which previously were used to handling their own arrangements.

“Especially when we acquire a new location, we sit down and explain that these are our preferred suppliers and contracts,” he explains. “Some of them are non-negotiable. We talk through those: an existing janitorial supplier may be cheaper than ours, but they're only servicing you three days a week. The standard for our healthcare facilities is a five-days-a-week service from Monday to Friday. We can show them what we have at the enterprise level and explain that this is why we're going to move over to this centralized control.

Achieving Faster Cycle Times & Cost Savings

“It's also happened in the reverse where we've been introduced to new suppliers through our acquisitions. That collaborative approach has been beneficial and it's helpful to be able to do it with a system. It's almost like a playbook for us.” In all, Michaud estimates that around 18% of contracts have been consolidated because of the new system, delivering significant savings and avoiding the need to recruit a further two full-time members of the procurement team.

The business is also benefiting from a more formalized approach to approving or rejecting spend requests. “Our workflow now goes through our AP, budget coordinators, FP&A, and then progresses through InnovaCare's VP of Operations for viewing and approvals,” says Michaud. “Levelpath's workflow creates a closed-loop process that is controlled, highly visible, and fully governed, a process that simply was not in place before.”

This is appreciated by the finance team. “We've seen Levelpath drive significant cost savings through better spend visibility and approval workflows,” says Manuk Ozcan, Head of FP&A at InnovaCare. “Recently, there was a \$50,000 proposal to completely repave one of our parking lots.

“

With Levelpath's AI platform, the team was able to easily share request details, collaboratively evaluate and ultimately avoid an unnecessary \$50K cost. It's a prime example of how Levelpath's enhanced approval processes and visual documentation enable smarter spend management.”

Manuk Ozcan
Head Of Financial
Planning & Analytics



Consolidation, Savings, & Enhanced Governance

The Levelpath system is now helping InnovaCare manage its contracts on an ongoing basis, ensuring all suppliers have signed up to its terms and conditions, reducing the risk that InnovaCare could face legal issues. “Our General Counsel had been here for less than two weeks, and immediately picked up on what Levelpath could do for InnovaCare from a governance perspective, from a signing authority,” Michaud says.

“With the ability to terminate a contract and start a new one into the system, I don't even really have to prompt people to do it,” he adds. “This means we're seeing exponential gains in governance and risk mitigation from a contract perspective.” The system will also ensure contracts that are due for renewal are flagged at an early stage, giving procurement time to renegotiate them or find alternative suppliers.

Future Opportunities with AI

With a clear system now in place for all major purchases, Michaud's focus is to ensure more of the tail-end spend also goes through the platform, creating opportunities for further economies of scale and efficiencies. “Around 25% of our spend categories are tail-spend, with suppliers where the annual spend is less than \$7,000 a year,” he says. “The system will help when we're at that point because we'll be able to contain it inside the process.”

Want to find out more?

Discover how Levelpath could help your business
improve its procurement processes.

[Visit Levelpath.com](https://levelpath.com)