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# Discover the 4 value drivers that'll fundamentally change your spend management



## Your strategic framework for building sustainable performance.

Healthcare organizations face a critical inflection point. Traditional cost-reduction strategies are no longer delivering sustainable results. Meanwhile, margin pressures are intensifying as labor costs escalate, supply chain disruptions persist and reimbursement models shift toward value-based care.

Health systems that continue down the conventional path find themselves caught in a cycle: cut costs to protect margins, compromise operational capacity, face quality concerns and then repeat. This approach fails because it addresses symptoms rather than root causes.

Healthcare leaders need a fundamentally different approach to spend management, one that transforms financial pressure into a strategic advantage. Start on your path toward building sustainable performance with the value drivers outlined below.

1

### Complete spend visibility



Most healthcare organizations operate with partial visibility into their spend leaving executives to make critical decisions without understanding the full financial picture. Complete spend visibility eliminates these blind spots. By integrating data across all spend categories, organizations gain clarity into where money flows and why. This intelligent classification enables meaningful analysis and action.

2

### Predictive cost intelligence



With traditional spend management, organizations discover cost overruns after they occur, respond to budget variances during monthly reviews and adjust strategies based on historical patterns. Predictive cost intelligence changes this dynamic by forecasting cost trends before they impact your bottom line with machine learning models that can identify utilization patterns, market dynamics and category-specific indicators.

# 3

## Category-specific expertise



Relying on general purchasers can lead to vulnerability. Organizations miss opportunities for value-based contracting, fail to leverage market dynamics during negotiations and make decisions that optimize cost at the expense of quality or vice versa. Accessing category-specific experts at decision points, brings organizations market intelligence, regulatory insight and strategic perspective without the full-time headcount.

# 4

## Continuous performance optimization



Most cost-reduction initiatives allow organizations to achieve one-time savings without building the mechanisms for continuous improvement. Continuous performance optimization embeds improvement into daily operations. It creates systematic processes that identify opportunities, test interventions, measure impact and scale successful approaches across the organization.

## Integration creates multiplication

The four value drivers operate as an integrated system, not standalone initiatives. Their power multiplies when implemented together because each capability enhances the others.

1	<b>Complete spend visibility reveals where to focus attention.</b>	It identifies high-priority categories, quantifies improvement opportunities and establishes baseline performance. Without visibility, predictive intelligence lacks context, category expertise can't target high-impact areas and continuous improvement operates without clear direction.
2	<b>Predictive cost intelligence reshapes visibility into foresight.</b>	It answers not just "what are we spending?" but "what will we spend if current patterns continue?" and "where should we intervene to change trajectory?" This foresight enables proactive category expertise deployment and prioritizes continuous improvement efforts toward areas with greatest future impact.
3	<b>Category-specific expertise converts insight into strategy.</b>	Armed with visibility and predictive intelligence, experts design contracts that align incentives, identify opportunities for value-based arrangements and navigate category-specific market dynamics that generalist approaches can't address.
4	<b>Continuous performance optimization ensures that improvements stick.</b>	It builds organizational proficiency to apply visibility, intelligence and expertise systematically rather than episodically. This creates a self-reinforcing cycle where each improvement builds capacity and organizational learning accelerates over time.

# Advance with a partner you can trust to build change that lasts

Healthcare organizations face a choice: continue managing costs reactively and watch margins erode under sustained pressure or build the strategic expertise that transforms financial pressure into a competitive advantage. The Vizient Spend Management Value Driver Framework provides that path forward supported by:



## Unparalleled data assets

Vizient has a database with billions of transactions across thousands of healthcare organizations. This scale enables predictive intelligence and benchmarking that isolated organizations can't replicate independently. Your visibility extends beyond your walls to marketwide patterns and peer performance.



## Deep category expertise

Vizient category experts bring focused knowledge across every major spend area. Rather than building expertise internally across hundreds of categories simultaneously, you access specialized knowledge exactly when and where you need it.



## Proven network effects

The Vizient network creates advantages that expand over time. As more organizations implement the framework, collective intelligence grows, predictive models improve and category strategies evolve. You benefit from innovations developed across the entire network while contributing to your organization's knowledge to strengthen collective capability.

Organizations implementing this framework report a 15% to 20% reduction in addressable spend, 30% to 40% improvement in contract compliance and enhanced visibility across previously hidden cost centers. More importantly, they shift from defensive cost-cutting to proactive financial resilience.

The healthcare organizations leading their markets financially aren't lucky. They're strategic. They recognize that sustainable margin protection requires addressing root causes rather than symptoms. They build efficacy that increases in value over time rather than chasing one-time savings.

The Spend Management Value Driver Framework provides your roadmap for that transformation. Your margins, your mission and your future depend on the financial capabilities you build today.



## Get started

Move your organization forward on the path to financial sustainability:

1

### Assess your current state

Where do you have visibility?  
Where are you operating blind?  
Which categories lack specialized expertise? How systematic are your improvement processes?

2

### Identify priority categories

Typically, these are high-spend categories with significant variation in unit costs, utilization patterns or contract compliance.

3

### Establish your implementation plan

Most organizations start with three to five priority categories and expand systematically.



To learn more about Vizient spend management solutions, contact your Vizient representative or [spendleadmgmt@vizientinc.com](mailto:spendleadmgmt@vizientinc.com).

Vizient, Inc. the nation's largest provider-driven healthcare performance improvement company, provides solutions and services to more than two-thirds of the nation's acute care providers and more than one-third of ambulatory providers. Vizient offers proprietary data and analytics to deliver unique clinical and operational insights and a contract portfolio representing \$156 billion in annual purchasing volume enabling the delivery of cost-effective care. With its acquisition of Kaufman Hall in 2024, Vizient expanded its advisory services to help providers achieve financial, clinical and operational excellence. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at [www.vizientinc.com](http://www.vizientinc.com).