



ValueFabric

PROCUREMENT INTELLIGENCE REPORT

Procurement *Intelligence.*

● Healthcare Procurement — \$31.43B Addressable Spend Analysis

This Procurement Intelligence Report analyzes \$31.43B in total addressable spend for healthcare procurement to identify cost optimization opportunities. The Procurement Health Score rates six dimensions (0–100) against industry benchmarks, and the savings levers are derived from the organisation's own categorized transaction data.

Sample pages from the full 33-page Procurement Intelligence Report.

CLIENT	REPORT TYPE	GENERATED	REPORT ID
Healthcare Procurement	Procurement Intelligence	March 23, 2026	FORM_1774276649359

EXECUTIVE SUMMARY

Purpose, measurement and why it matters

TOTAL SPEND ANALYZED	PHS-ADJUSTED SAVINGS	PROCUREMENT HEALTH SCORE	CATEGORIZATION RATE
\$31.43B	\$943.0M – \$1.89B 35 LEVERS	85 / 100 OPTIMIZED	93.0%

PURPOSE

This Procurement Intelligence Report analyzes \$31.43B in total addressable spend for healthcare procurement to identify cost optimization opportunities. Priority actions include strategic sourcing, supplier consolidation and contract optimization.

WHAT THE DIAGNOSTIC MEASURES

Healthcare & Life Sciences procurement operations are scored on a Procurement Health Index (PHS) of 85/100, based on analysis of \$31,433.5M in spend across 35 suppliers. Six dimensions are rated 0–100 against industry benchmarks: data quality and spend visibility, supplier management and risk, process efficiency, contract discipline, working capital and payment, and master data and governance. Alongside the score, the report maps spend composition — 42.6% direct and 57.4% indirect across nine categories — at a 93.0% categorization rate, and benchmarks supplier concentration, tiering and payment behaviour.

WHY IT MATTERS

The assessment identifies up to \$2,192.5M in annualized savings opportunity (14% of addressable spend) through commercial optimization. Alternative paths include demand optimization (\$1,793.6M) and supplier optimization (\$462.3M). Cost inflation and supply disruptions are driving diversification away from single suppliers for high-dependency items, while AI-enabled forecasting, digital tendering and supplier analytics widen the gap with manual processes — industry benchmarks put cost reduction potential at 10–20% for strategic sourcing and supplier consolidation at 20–30%.

Figures shown throughout are from an anonymized sample engagement.

SAMPLE FINDINGS

Procurement Health Score and what it surfaced

EXAMPLE SCORECARD — SIX DIMENSIONS, 0–100



EXAMPLE INSIGHTS

- Supplier concentration is low: top 5 suppliers 14.7%, top 10 29.2% and top 15 43.7% of total spend.
- Facilities Operations (\$6.35B, 20.2%) and Analytical & Testing Services (\$6.28B, 20.0%) lead the category mix.
- Tier 1 covers 27 suppliers and \$24.45B (78%) of spend; Tier 2 covers 8 suppliers and \$6.99B (22%).
- Normalization reframes the mix — the top 5 original categories are 1.2% of spend, the top 5 normalized categories 70.3%.

EXAMPLE STRENGTHS

- Spend data is highly complete with a perfect quality score and consistent categorization across 9 categories (D1 = 95).
- Supplier base is highly diversified with an HHI of 0 and a top-5 concentration of 15% (D2 = 95).
- Procurement process is highly efficient — average transaction value of \$314,335 and only 1 supplier per \$1B of spend (D3 = 90).
- All suppliers are strategic, indicating most spend is under contract (D4 = 90); master data governance shows 99% cost centre coverage (D6 = 85).

EXAMPLE RISKS

- Average DPO of 52 days is outside the optimal range, with 39% of transactions paying over 60 days — D5 scores 50 vs. an industry median of 68 (target 85).
- Supply chain — HIGH. Supplier relationship management is critical during transition.
- Implementation — MEDIUM. Requires dedicated resources, executive sponsorship and stakeholder alignment.
- Market — MEDIUM. Market conditions may impact achievable savings ranges.
- Technology — MEDIUM. Data quality improvements may refine opportunity estimates.

SAMPLE RECOMMENDATIONS

Typical actions, priority and sequencing

TYPICAL ACTIONS

- **Energy Management System Optimization.** Smart building technologies, LED lighting upgrades and HVAC optimization for 24/7 healthcare operations — \$476.2M annually.
- **Test Utilization Management.** Reduce unnecessary reference testing, eliminate redundant orders and ensure appropriate use of expensive specialty tests — \$377.0M–\$471.3M annually.
- **Reference Lab Consolidation.** Consolidate send-outs to fewer preferred providers to maximize volume leverage and achieve better pricing — \$301.6M–\$377.0M annually.
- **Integrated Facilities Management Consolidation.** Consolidate multiple facilities service providers into a single IFM partner for economies of scale — \$228.6M–\$428.6M annually.

PRIORITY MATRIX — NINE INITIATIVES BY IMPACT AND FEASIBILITY

PRIORITY INITIATIVE	OWNER	EXPECTED IMPACT (TYPICAL)	HORIZON
1 · Energy Management System Optimization	Technical Procurement Lead	\$476.2M	3–6 mo
2 · Test Utilization Management	Category Manager	\$471.3M	3–6 mo
3 · Insourcing Analysis and Implementation	Category Manager	\$424.2M	3–6 mo
4 · Preventive Maintenance Demand Optimization	Category Manager	\$381.0M	3–6 mo
5 · Reference Lab Consolidation	Category Manager	\$377.0M	3–6 mo
6 · Integrated Facilities Management Consolidation	Strategic Sourcing Lead	\$371.5M	3–6 mo
7 · Multi-Site Service Contract Aggregation	Category Manager	\$333.4M	3–6 mo
8 · Test Routing Optimization	Category Manager	\$285.9M	3–6 mo
9 · Internal Capability Development	Category Manager	\$238.8M	3–6 mo

Recommendations are prioritized based on impact potential and implementation feasibility. Each is detailed in the full report with implementation steps, success metrics and key considerations.

TIMELINE — 90-DAY ACTION PLAN

- **Phase 1 — Quick wins (days 1–90).** Implement a spend visibility dashboard, begin supplier consolidation analysis and review top 10 contract terms.
- **Phase 2 — Tactical initiatives (days 91–180).** Execute Energy Management System Optimization, Test Utilization Management and Insourcing Analysis; deploy spend analytics dashboards.
- **Phase 3 — Strategic transformation (days 181–365).** Deploy procurement technology, build a supplier performance program and establish a center-led procurement model.
- **Success criteria.** Capture identified savings, improve the PHS score by 10+ points and reach 95%+ stakeholder adoption.

THE COMPLETE REPORT

What the full 33-page report contains

- **Executive summary.** Headline metrics, spend composition and quick wins for the next 30 days.
- **Market intelligence and industry trends.** Key trends, benchmarks and the 12–24 month outlook.
- **Top supplier context.** Market position, leverage and negotiation posture for the ten largest suppliers.
- **Procurement Health Score.** Six dimensions scored against quartile thresholds, each with rationale and business impact.
- **Capability-building initiatives.** Strategic initiatives for the next 2–3 quarters.
- **Spend overview.** Top categories by spend plus direct and indirect breakdowns.
- **Analysis depth and category comparison.** Supplier tiering and original vs. normalized taxonomy.
- **Supplier intelligence and risk.** Concentration, top-10 supplier table, tier definitions and the full risk assessment.
- **Strategic recommendations.** Nine priority initiatives with owners, expected impact, implementation steps, success metrics and key considerations.
- **Category toolkits.** Data to request, diagnostic questions, sector guardrails and validation frameworks per category.
- **90-day action plan.** Three phases with success criteria and implementation risks.
- **Direct material analysis and appendix.** Data processing and savings methodology, data exports available and currency normalization.

NEXT STEP

To receive the full Procurement Intelligence Report for your organisation — or to schedule an assessment — get in touch with the ValueFabric team.

→ [Request the full report](#)

→ [Schedule an assessment](#)

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