



THE IMPORTANCE TO BUYERS OF WORKING WITH A PROCUREMENT PARTNER

(rather than skilling up your internal procurement teams)

Contents.

- 1 Introduction
- 1 The buyer's dilemma
- 2 What makes a great procurement partner?
- 3 How one buyer has developed a strategic procurement partnership
- 3 Conclusion

While the details of this paper are specific to Cerner and the health care market, the challenges and solutions are applicable to all industries and markets.

INTRODUCTION

Cerner Corporation® is a global supplier of health care information technology solutions, services, devices and hardware

They work in approximately 10,000 facilities around the world¹, including more than 2,700 hospitals; 4,150 physician practices; 45,000 physicians; 550 ambulatory facilities, such as laboratories, ambulatory centres, behavioural health centres, cardiac facilities, radiology clinics and surgery centres; 800 home health facilities; 45 employer sites and 1,750 retail pharmacies².

THE BUYER'S DILEMMA

Cerner is active in 27 countries around the world, with expertise and experience within the health care market globally and has reseller agreements with a significant number of vendors. However, what Cerner's associates are unable to provide is the hands-on regional expertise for the procurement of services, technologies and products that they need to provide to their customers. Cerner has discovered that it would be difficult to provide the required level of vendor management for every country territory without increasing the staff numbers within their internal procurement teams dramatically.

Cerner's solution has been to appoint preferred regional procurement partners within many regions or countries, including the UK. Cerner now has a network of partners that can be called on to support complex bids and provide a level of expertise and responsiveness that their centralised team is unable to give in the UK.

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¹ http://www.hoovers.com/company-information/cs/company-profile.Cerner_Corporation.5c861f45f5935687.html

² <http://www.reuters.com/finance/stocks/companyProfile?rpc=66&symbol=CERN.O>



WHAT MAKES A GREAT PROCUREMENT PARTNER?

In most regions, a business like Cerner will have multiple procurement partners to reduce the risk of working with a single partner. However, they may also have a preferred partner based on a number of criteria.

A Cerner strategic procurement partner must meet these conditions:

1. Longevity – the partner needs to have a strong business track record.
2. Certifications and regulations – meet all the necessary EU certifications.
3. Understand Cerner's business model, and adapt it as their own.

In Cerner's business, responsiveness is vital – health care doesn't run like a retail store. Cerner has immediate response needs, and require a procurement partner that can mobilise resources quickly. In the UK, Cerner has a partner whose resources can be relied upon as much as Cerner's internal resources. Whether Cerner needs to source Hewlett Packard hardware, license software, arrange installations and integrations, or any of the other services they offer, there is a partner who will take care of this work – quickly and to Cerner's end customers' satisfaction.

Cerner also needs a partner who understands their end client business models and is able to anticipate the needs of a particular project, whether it's a back-up strategy or bespoke support contracts. They need a partner who understands the industry.

And when working with a procurement company, Cerner's approach is always to develop a real partnership that is mutually beneficial to both parties.

Cerner's relationship with their end clients is one of trust, and their relationship with their procurement partners needs to be built on trust too. Hospitals don't expect to have to haggle with Cerner to get the best price, and similarly Cerner doesn't want to have to haggle with their partners to ensure that they can pass on the best prices to their clients.

A partner needs to have the same 24x7 support for end clients that Cerner have themselves. Only when this has been proved will Cerner trust and offer more business opportunities to the partner. Finally, a partner needs to be proactive and adaptable. If Cerner can identify a partner that can advise on changes that affect Cerner's business and customers, even before Cerner realise that the changes may happen, they become vital to Cerner's business.

What makes a great procurement partner?

We believe there are a number of elements that a buyer would look for in a partner.

Tangible elements	Intangible elements
Track record.	Trust.
Certifications and range of skills, expertise.	Flexibility.
24x7 support.	Relationship management.
An understanding of unique business models and the industry.	Going the extra mile.
Well versed in the different areas of procurement, deployment, integration and support services.	Readily accept challenges.

HOW ONE BUYER HAS DEVELOPED A STRATEGIC PROCUREMENT PARTNERSHIP

Do you recognise Cerner's challenges?

If so, read on, to discover how Annodata, a UK IT Services Procurement specialist, have become one of Cerner's key strategic partners.

We spoke to Cerner's Global Sales and Business Development Practice Manager Missy Ostendorf and Global Practice Partner Manager Steven Davis about what they need a procurement partner to offer them, and why Annodata has become a highly valued partner.

WHY ARE YOU COMFORTABLE WORKING WITH ANNODATA?

We have 100+ procurement partners around the world. In each country and region we have multiple procurement partners, resellers, vendors, distributors that we work with to ensure risk is spread – normally at least two. However, when we find a partner we really like and trust we are happy to work more closely and depend on them more.

A close, trusting and flexible relationship is vital for Cerner to do business with a partner as we will rely on those principles as much as more visible requirements. There are tangible and intangible requisites when we are building a partnership.

Annodata have readily accepted challenges from us, and delivered great results. When we had trouble getting specific resources and skillsets in the UK we were able to rely on Annodata, who have these folks ready to go, when we need them. That flexibility is fundamental to our partnership.

Usually our requests are immediate, like "could we have someone next week". Annodata have always been able to juggle their resources and help us. Healthcare has immediate response needs and Annodata has always been able to help when we couldn't get our own resources in fast enough. So we've grown to use their resources instead of our own. When we ask for a quote they will include all possible ancillary elements without us having to specify, so we don't have to juggle resources on our own teams to get this information. Cerner need a partner who will go the extra mile for us, even when we don't ask for it, so that we look good in front of our customers.

Annodata, over the last 15 years, has proven to Cerner that they are well versed in all the different areas of procurement that as a partner we can rely on, work closely with and trust during the pre-sales and after-sales processes.

It's worked so well in the UK and they have understood our business model that we have asked them to expand our relationship into Ireland. Traditionally we would have had an in-country distributor/reseller but we have gone to Hewlett Packard, for example, and said **"our experience with Annodata has been so good, and our partnership is working so well, that we want to buy [HP] from Annodata and work with Annodata, rather than source a partner based in Ireland."**

"We need a partner that's knowledgeable about the market, and can provide regional expertise in the services, technologies, and products that we need to buy."

STEVEN DAVIS, CERNER.

Good relationship management is also vital to our partnership. Credit needs to be given to the account team at Annodata. The management team has been smart; they have allowed us to continue to work with the same resources on our account year on year, and these folks have built strong relationships across Cerner. Annodata's account team has been able to get to know folks across Cerner to become valuable, not only to the commercial business, but also to our internal procurement process.

There can be cultural differences when working across countries and it's imperative that a partner understands our culture. Annodata manage that very well.

Thanks to our partnership with Annodata, Cerner have reduced costs, improved efficiencies and streamlined vendor management enormously.

"We work with distributors and resellers around the world. Cerner does business in 27 countries and with 100 procurement partners and I am happy to say that Annodata are my best partner to work with." Missy Ostendorf

CONCLUSION

Many procurement professionals find it difficult to retain experienced teams with specialised regional and national knowledge.

Affiliating with a procurement partner who already has that regional expertise can significantly improve the service companies can offer to their customers, reduce costs and improve efficiency.

A specialist procurement partner can also help companies to build trusting relationships with their vendors and help them work together more collaboratively.

Annodata is one of the UK's longest standing providers of Managed Services, covering Document Management, Unified Communications and IT.

For more information on how Annodata can help you become a more efficient enterprise, please contact: marketing@annodata.co.uk or Tel: 01923 333 333



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