

# How Did a Major Healthcare Provider Reduce Costs with Streamlined Payback and Chargeback Processes?

The mission of the 50,000 employees in Ohio-based Cardinal Health is to keep healthcare efficient, providers effective, and patients as healthy as possible. The company provides customized solutions to hospitals, health systems, pharmacies, ambulatory surgery centers, clinical laboratories, and physician offices in 60 countries across the globe. Recently, Cardinal Health recognized a need to reduce total cost of ownership by streamlining payment and chargeback processes.

To help customers successfully navigate a consumer-centered healthcare system, Cardinal Health wants to be sure each deal it makes best serves all parties in the transaction. The SAP® Paybacks and Chargebacks application by Vistex helps Cardinal Health establish and maintain the necessary visibility into and control over product costs. The SAP Incentive Administration application by Vistex helps ensure that promotions are optimized. And the SAP Data Maintenance application for ERP by Vistex, pricing option, helps Cardinal Health optimize buy- and sell-side pricing in all functions, from agreement initiation to results analysis.





# Helping Keep the World Healthier Using SAP® Applications by Vistex



## Cardinal Health

Dublin, Ohio

[www.cardinalhealth.com](http://www.cardinalhealth.com)

## Industry

Healthcare

## Products and Services

Customized solutions for healthcare providers

## Employees

50,000

## Revenue

US\$130 billion

## SAP® Solutions

SAP® Paybacks and Chargebacks application by Vistex, SAP Incentive Administration application by Vistex, and SAP Data Maintenance application for ERP by Vistex, pricing option

Seeking to provide better value for suppliers and customers while avoiding business disruption, Cardinal Health set out to future-proof its Pharmaceutical Segment. The company used the SAP Paybacks and Chargebacks, SAP Incentive Administration, and SAP Data Maintenance Pricing applications by Vistex together with Vistex design services to modernize legacy infrastructure, streamline data management, and integrate processes for calculating, invoicing, and collecting rebates and chargebacks.

### Before: Challenges and Opportunities

- Eliminate manual data validation tasks by centralizing data management and streamlining processes
- Support decisions with comprehensive analytics
- Maintain enterprise-wide visibility into operations and overall profitability
- Streamline deal processes with suppliers and customers

### Why SAP

- In-depth expertise in a phased implementation and software for integrated cross-functional processing
- Deep knowledge of issues and trends in healthcare pricing
- Extensibility and flexibility to accommodate expansion and diversification
- On-site support from the Vistex service team for a multiyear, phased implementation

### After: Value-Driven Results

- Phased deployment of the pricing functionality following the “crawl-walk-run” principle
- Streamlined analysis of customer and supplier performance to improve profitability analytics
- Processes redesigned around functions rather than technology to boost efficiency
- Company culture redirected from maintenance of the status quo toward innovation
- Realignment of higher-cost resources away from manual tasks to tasks that add strategic value

**“Our goal is to develop comprehensive product costing analytics in SAP Paybacks and Chargebacks to better prepare our customers to capitalize on the trend toward healthcare consumerism.”**

Ed Schaffer, Director of Strategic Planning, Cardinal Health

## Consolidated

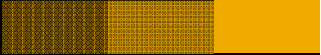
Data that enables cross-functional processing

## Increased

Profitability through streamlined operations

## Crawl-walk-run

Principle of phased deployment



© 2017 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.

See <http://global.sap.com/corporate-en/legal/copyright/index.epx> for additional trademark information and notices.