



Supply chain. Simplified.

MAHRMM

September 27, 2018

Agenda

a simplified approach to driving alignment

- Strategic partnerships
- Cost reduction
- Value analysis

Moving initiatives forward, quickly



Why strategic partners do business through aptitude

All encompassing approach

- Supports most steps in contracting process
- Not just benchmarks or RFP creation

Speed to resolution

- Less time in legal negotiations
- Bid to Contract time = 60% improvement

Insight into activity

- Data guides the discussion
- Stay informed of progress / steps



Aligned incentives for supply partners



Primary: Enables price for performance

Secondary: Efficiency and speed

PROVIDERS

- Guides strategy implementation
- Trustworthy approach
- Complementary, effective process

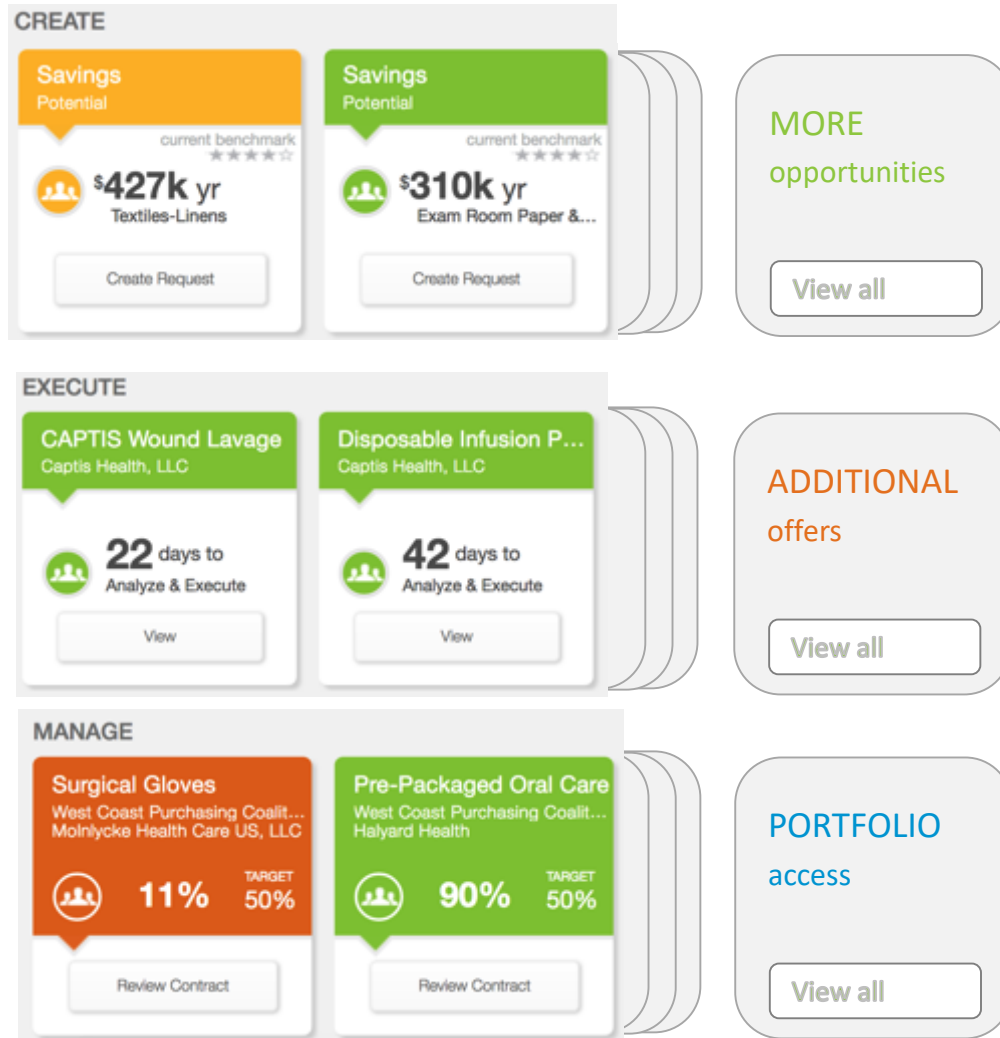
SUPPLIERS

- Efficient, streamlined
- Transparent
- Faster, effective

A streamlined approach to establishing strategic partnerships, creates value for both parties.

As a result, suppliers are offering additional value to providers.

Navigation bar provides quick access to steps in contract management process



CREATE

- Savings Potential**
current benchmark ★★★★★☆
\$427k yr
Textiles-Linens
Create Request
- Savings Potential**
current benchmark ★★★★★☆
\$310k yr
Exam Room Paper &...
Create Request
- MORE opportunities**
View all

EXECUTE

- CAPTIS Wound Lavage**
Captis Health, LLC
22 days to Analyze & Execute
View
- Disposable Infusion P...**
Captis Health, LLC
42 days to Analyze & Execute
View
- ADDITIONAL offers**
View all

MANAGE

- Surgical Gloves**
West Coast Purchasing Coalit...
Molnlycke Health Care US, LLC
11% TARGET 50%
Review Contract
- Pre-Packaged Oral Care**
West Coast Purchasing Coalit...
Halyard Health
90% TARGET 50%
Review Contract
- PORTFOLIO access**
View all

CREATE shelf: Ongoing analysis of pricing performance at a category view; high-level savings analysis, spend history by supplier, product and unit count

EXECUTE shelf: Review offers and run scenarios to determine best value; plan out purchasing patterns to determine conversion or non-conversion; sign agreements

MANAGE shelf: Manage contract performance; understand activity behind commitment levels including system and sub-category performance for all agreements executed through platform

Exam Gloves	\$500K savings potential	Create Request
Monitoring Electrodes	\$1.2M savings potential	Create Request
CRM	\$3.3M savings potential	Create Request
Trauma	\$950K savings potential	Create Request

1 Identify opportunities

- Search by product category
- See high-level savings potential
- Send RFP

Catalog number	Manufacture Description	Seller	Units	Spend
→ Medical or Surgical Suction Canisters				
↓ Surgical Floor Absorbent Mats				
072-140	Mat Absorbent . . . 40 in X 38 in	Stryker Corp	8,533	\$122,507
072-154	Mat Absorbent . . . 40 in X 28 in	Stryker Corp	1,225	\$20,453
0892140	Pad Absorbent . . . 30 in X 56 in	Arthrex Inc	3,451	\$95,676

2 Review product spend history

- Identify supplier, spend, units
- Search by UNSPSC
- Determine strategy

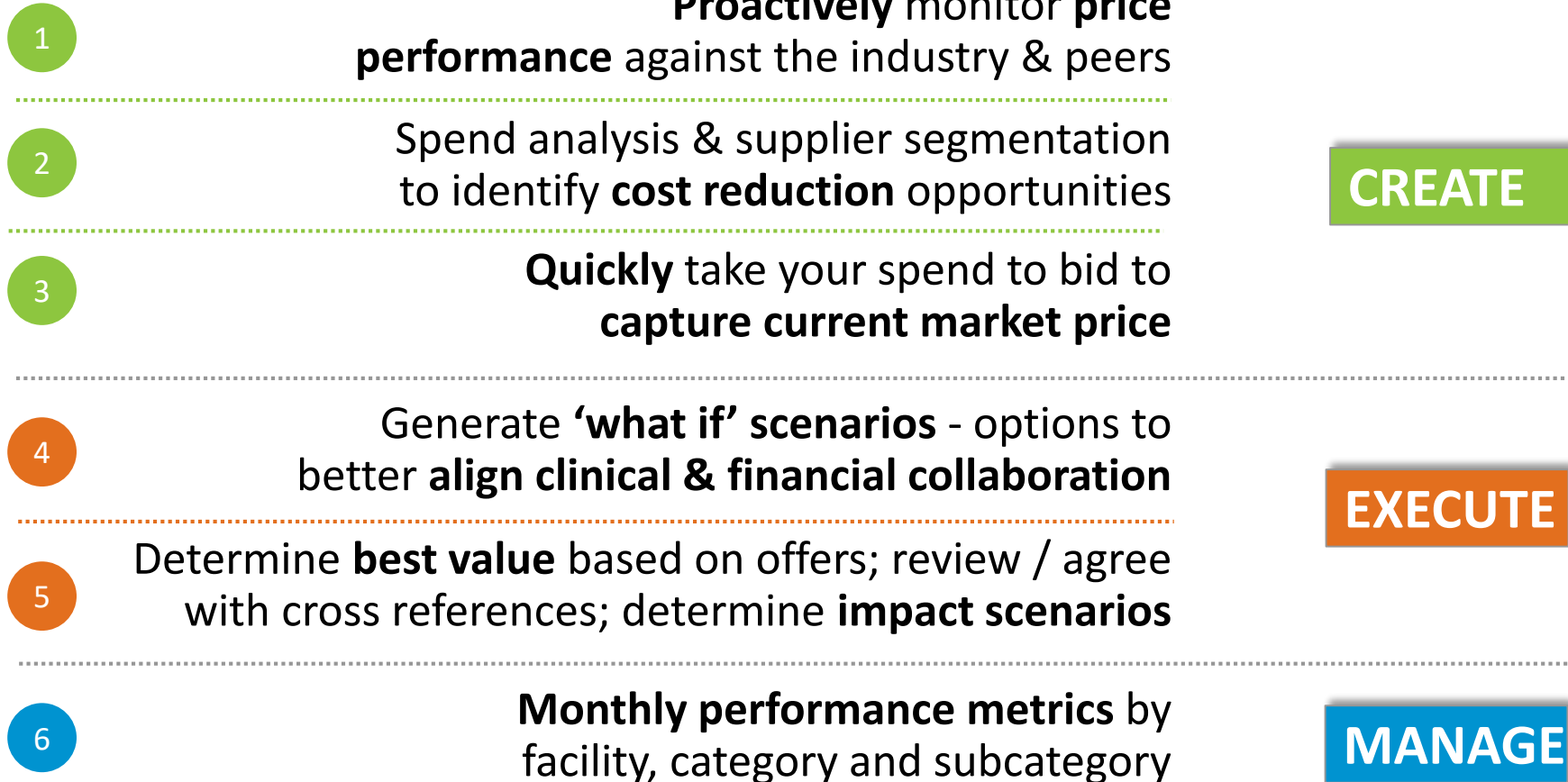
Name	aptitude T&Cs	Spend Last 12 Months	Potential Spend
+ DeRoyal Industries Inc	1	\$230,833	\$651,509 35%
+ Cardinal Health Inc	1	\$191,214	\$486,252 29%
+ Stryker Corp	1	\$141,836	\$165,258 22%
+ Ohio Medical Corp	1	\$45,982	\$410,076 7%

3 Build / Send RFP

- Understand current business
- Select suppliers for RFP
- Details packaged and sent



Create, Execute and Manage Initiatives



Value analysis accelerator



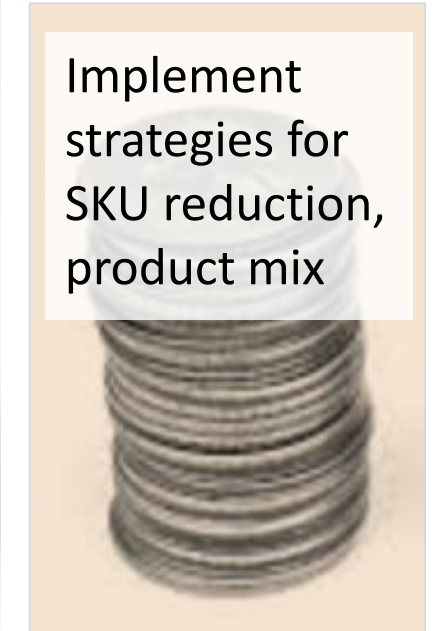



Ingests data into the value analysis process, helps drive discussions and decisions.

- Prioritize and quickly sort initiatives into phases and take action on those with the highest potential
- Plan and execute strategy based on supplier value and product attributes
- Helps gain clinical alignment in pursuing cost reduction
- The complementary approach streamlines the process, allows for quicker results

Advancing performance based agreements



2012	2013	2016	2018
 <p data-bbox="443 436 777 719">Prior to aptitude, reported by suppliers</p>	 <p data-bbox="823 436 1169 719">Measured by aptitude, compliance monitoring</p>	 <p data-bbox="1215 436 1600 719">Implement strategies for SKU reduction, product mix</p>	 <p data-bbox="1656 436 2099 719">Data allows for utilization metrics; at risk agreements</p>
Volume	Market Share	Standardization	Clinical performance



Gaining efficiencies – in a single location

SAVINGS

15%

Per offer, often without conversion, in commodities, clinical pref. & medical device.

PROVIDERS

1,000

Benefiting from custom approach; complements current process.

DAYS

14

On average it takes for hospitals to receive offers from suppliers they choose.

REDUCTION

60%

In contract cycle time for buyers & sellers; accelerating speed to value

aptitude

