



Accelerating synergies through procurement in a Health-Tech merger

When two global Health-Tech companies went through a merger, the top priority was keeping the new organisation in good health throughout the challenging process.

Efficio was engaged ahead of the merger to identify procurement synergy opportunities in a clean room environment, and then to provide the hands-on support to make these opportunities a reality. The goal: to reduce cost and improve EBITDA and cash flow – demonstrating the value of the merger and supporting the client's change management initiatives – and to start doing so from day one.

Results

Efficio's pre-merger clean room procurement synergy assessment and our consultants' hands-on involvement provided the client's procurement function a head start in proving the merger's value. Procurement was one of the top synergy opportunity areas in the merger. With Efficio as change agents, it was the fastest function to hit and exceed targets, helping to create momentum for further collaborations within the newly merged organisation.

Working with Efficio, the client:

- **Delivered savings that exceeded targets by 50%** by addressing third-party and real estate spend across 80+ initiatives
- **Built a sustainable value delivery model** through growing its internal team and an ongoing partnership with Efficio, which includes access to eFlow, Efficio's proprietary procurement technology
- **Elevated Procurement's position within the business** by demonstrating its strategic value

Approach

The speed and scale at which the procurement synergies programme needed to be executed – with projects spanning across direct, IT and indirect areas such as medical readers, clinical trial devices, network & telecoms, software/business apps, temporary labour for application development, real estate, and cloud infrastructure – posed a significant challenge.

However, by leveraging procurement synergy opportunities, the team managed 80+ initiatives, **delivering savings that exceeded the initial target by 50%.**

From change agent to advisor: A flexible partnership

The ongoing, flexible partnership with Efficio has been key to the continued success of the client's procurement initiatives.

To make sure the synergies programme could hit the ground running, the client embedded a team of dedicated, delivery-focussed Efficio consultants into its procurement team. Efficio's subject matter experts (SMEs) focussed on specific workstreams, which they progressed through strong governance and expertise on sourcing strategies and on-the-ground execution, such as negotiations. Our consultants' significant experience and expertise in the Health and Pharma industry, as well as the strong relationships they built with relevant stakeholders, meant Efficio could provide the client with hands-on support to deliver savings with minimal disruption to – or involvement from – senior leadership. Together, the joint client-Efficio procurement team built a transformation momentum strong enough to withstand the challenges that M&As commonly create, including legacy stakeholder interests and high turnover volumes amongst mid- and senior-level stakeholders as the newly merged organisation found its feet.

Projects were phased across multiple waves to prioritise those with high savings and low operational impact (devices and SIM cards, for instance). With Efficio as change agents, Procurement could deliver maximum impact at speed and build credibility throughout the wider business. This then generated support and momentum for the subsequent value-generating waves across further categories. This included a **workforce location strategy**, in which Efficio helped the client to establish new workforce hubs in international markets across the Americas, Europe, and Asia where further talent could be accessed at lower costs. It also created momentum for further synergies across the merged organisations and acted as proof of the merger's value.

Crucially, our client has put structures in place that will allow it to sustain and build upon these successes in the long-term, deploying Efficio resources flexibly and according to its needs at any given time. The business has maintained its partnership with Efficio, so

Exceeded savings
targets by

50%



that its procurement function can continue to benefit from the experience, expertise, and technology that our consultants provide.

Strengthening procurement with a technology transformation

A technology transformation also helped to create a strong foundation for the new procurement function. eFlow – Efficio’s proprietary supply chain and procurement technology – was deployed to achieve greater spend visibility and enable easier opportunity identification. This, combined with the wealth of benchmarking data available in eFlow, empowered the procurement team to challenge inherited practices and execute data-driven strategic sourcing processes.

The improved spend transparency also made it easier for procurement initiatives to be directly reported to senior management, contributing to the elevation of Procurement’s strategic position within the business.

We’re here to help

If you would like to explore the value generation and cost reduction opportunities of your procurement function, including how we can support you with post-merger integration or any other M&A-related activities, please contact us by filling out the form on our **M&A hub**.

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