opentext™

Success story

Owens & Minor

Industry
• Healthcare

Solution
• OpenText™ Active Community

Results

Reduced time to launch large scale supplier onboarding programs from three weeks to less than a day

Improved visibility into supplier response by 100%, and over 15 internal stakeholders allowed to simultaneously monitor progress

Enhanced contact accuracy from 55% to 98%, for over 1,000 vendors with self-renewing capability

Avoided supply chain interruption by automating the emergency setup of a critical distribution center, serviced by over 400 suppliers

Reduced time and cost of every day supplier management

Owens & Minor leverages OpenText to build online supplier community

Improving supplier relations and reducing supplier onboarding cycle times using OpenText Active Community

"To fuel continued growth, our company is managing an ever increasing number of strategic supplier and customer development programs. In vendor onboarding programs alone, OpenText Active Community has reduced our ramp-up time from weeks to days, and in some cases, to mere hours."

Gavin Jeffs
Vice President
O&M Supplier Relations

Owens & Minor, Inc. (O&M), a Fortune 500 company headquartered in Richmond, Virginia, is a healthcare supply-chain management company and leading distributor of national name-brand medical and surgical supplies. With diverse product and service offerings and distribution centers throughout the United States, the company serves hospitals, integrated healthcare systems, alternate care locations, group purchasing organizations, the federal government and consumers.

O&M is a major player in healthcare distribution and supply chain management, with sales approaching $7 billion and 4,600 employees. The company is constantly challenged with improving time to "operationalize" new suppliers, execute fluid trading-partner communications and drive supply chain collaboration—all while maintaining a low cost-to-serve customer operation in a high volume, slim margin business.

In this environment of continuous change, sizable healthcare distributors with large and sophisticated supplier communities are seeking productivity and automation solutions that drive profitable business relationships. For O&M, OpenText™ Active Community addressed this need with an online solution that offers the community management capabilities of an enterprise portal solution, combined with immediate productivity and communication tools required for supplier mergers and acquisitions.

Challenge

Among other things, O&M is responsible for helping hospitals and healthcare providers to serve patients with medical and surgical needs. With over 180,000 products and more than 1,200 suppliers, few organizations face the same challenge in supplier management and the need for life-saving responsiveness across their supply chain.

At the same time, O&M needs to control technology spending to protect margins, and has an intrinsic responsibility to safeguard against business continuity disruption.

Initially, O&M planned to use Active Community to help create repeatable processes for implementing a new "Integrated Service Center" supply chain solution. Then, in the summer of 2006, O&M acquired a business from one of its major competitors. This acquisition was instrumental in highlighting the need for rapid supplier onboarding, communications and enablement of a transitioning supply base.

O&M also recognized that continuous outreach programs to trading partners require massive internal collaboration and cooperation. By extending their Active Community group to several departments, distribution centers and customers, O&M achieved a new level of visibility and cooperation around its core programs, goals and objectives.

Benefits

Access all suppliers anywhere

The Active Community contact discovery and enhancement process revealed that up to 50 percent of O&M supplier contact data was incomplete or inaccurate. By leveraging Active Community contact collection services, O&M improved data accuracy by 98 percent, and was able to garner multiple functional contacts per vendor. With this in place, O&M now reaches multiple business audiences within seconds—enabling successful rollout of operations programs and projects, including distribution center opening/closing, emergency response and supply chain collaboration. Using Active Community contact update features, O&M now ensures that their 3,000 contacts maintain their own information directly. O&M can then "tag" the contact with key supplier attributes, such as sales data SKU numbers, and contract information, enabling strategic supplier management.

> *"OpenText Active Community has allowed Owens & Minor to be much more timely and effective in reaching our desired supplier audience at a critical time during an acquisition transition."*
>
> **Gavin Jeffs**
> Vice President
> O&M Supplier Relations

Build a supplier community in six weeks

After completing its supplier contact discovery project, O&M was ready to grow their community. Their first need was to onboard over 220 suppliers transitioning to O&M as part of the acquisition. Through Active Community, O&M achieved:

• Repeatable workflow for new supplier onboarding

• Secure document sharing of files for supplier enablement

• Smart distribution lists for supplier outreach communications

• Visibility into all communications for tracking supplier response

Within days, suppliers were logging into their own personalized Active Community web portal. Subsequently, they took online training, securely shared business-critical files and documents, and provided real-time status on a task management dashboard at O&M.
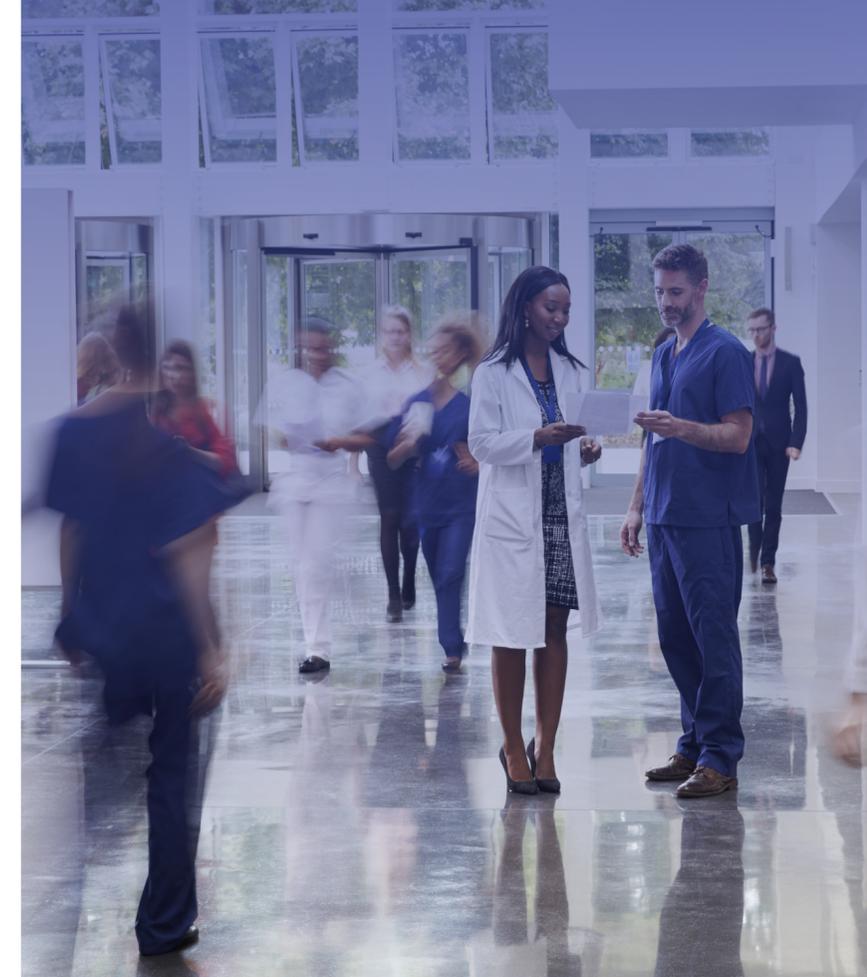
"To fuel continued growth, our company is managing an ever in-creasing number of strategic supplier and customer development programs. In vendor onboarding programs alone, OpenText Active Community has reduced our ramp-up time from weeks to days, and in some cases, to mere hours," said Gavin Jeffs, vice president,

O&M Supplier Relations. *"OpenText Active Community has allowed Owens & Minor to be much more timely and effective in reaching our desired supplier audience at a critical time during an acquisition transition, and it has also allowed us to reduce the time and effort previously required by Owens & Minor to manage similar programs."*

Monitor supplier progress in real-time

One of the early benefits of using Active Community is that it provides a unique level of visibility to the progress of projects. O&M employees with permissions-based access to Active Community are able to log in and access up-to-the-minute reports regarding supplier activity.

This visibility has become critical for organization-wide initiatives that require rapid action in several geographically dispersed business divisions. For example, Active Community was used to set up 400+ suppliers to channel product through a new distribution center in New Mexico. Both O&M Corporate and the local DC team were able to coordinate the outreach and enablement of the suppliers within a six-hour lead time—saving several days of emergency actions and avoiding a major supply interruption to customers.

About OpenText

OpenText, The Information Company, enables organizations to gain insight through market leading information management solutions, on-premises or in the cloud. For more information about OpenText (NASDAQ: OTEX, TSX: OTEX) visit opentext.com.

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