



SIB Fixed Cost Reduction Case Study

How Bickford Reduced Medical Supplies Costs by \$117,000



Who is Bickford Senior Living?

Founded in 1991, Bickford Senior Living is a second generation-run family business.

What started as a single location—and one of the first assisted living residences in Kansas—has grown to a network of 3,000 residents. **Bickford now operates 65 communities across eleven states and employs a staff of 2,500.**

At a Glance



\$117,000+

In medical supplies cost savings



< 30 Days

Rate renegotiated and savings delivered in under a month



SIB's hard work made the review easy. We look forward to seeing what they can save in other areas."

Mike Eby
Chief Financial Officer
Bickford Senior Living



The Challenge

Bickford's medical supply costs were increasing. Without pricing benchmarks, they couldn't determine how competitive their rates were or identify best-in-class pricing targets for renegotiation. In addition to lowering costs, Bickford wanted to continue working with the incumbent vendor without disrupting operations.

Bickford was introduced to SIB by the portfolio director of National Health Investors (NHI), the Real Estate Investment Trust that owns Bickford's buildings. Having worked with other operators for whom SIB secured savings, NHI knew SIB could identify savings opportunities for a large operator such as Bickford.

The Solution

After Bickford provided login credentials for their medical supply vendor, SIB's team ran a material usage report of all purchases from the past year. SIB compared each line item from the usage report to our benchmark data. With thousands of pricing data points across a broad range of customer profiles to reference, SIB established new target pricing for each item and contacted Bickford's vendor representative to leverage our findings to renegotiate rates. After proposing our rates for each line item, supported by real-world data, the popular medical supplies vendor agreed to our target pricing.

The Results

SIB implemented the rate reductions with no additional effort from the client and delivered savings within 30 days. The new pricing SIB negotiated for Bickford will save them over \$117,000 annually while retaining the same vendor and service levels. Both client and vendor now benefit from a strengthened relationship.

SIB will continue to monitor monthly invoices and ensure the savings stay in place. In addition to medical supplies, Bickford has also engaged SIB to reduce costs in standard spend areas such as utilities, waste removal, and bank fees.



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