

### CHALLENGE

How does a Novation-contracted technology provider long associated with quality and innovation expand its market share in an extremely competitive business line, while also gaining increased marketing support for its products?

### SOLUTION

Malvern, Pennsylvania-based Siemens Medical Solutions, USA accomplished all of that and more by participating in Novation's group buys. Working collaboratively, Novation and Siemens have achieved tremendous success and member satisfaction by aggregating member purchases into group buys.

Utilizing spend analytics, targeted marketing and sales support, the two companies have delivered significant savings to members on the purchase of Siemens diagnostic imaging equipment. Group buys typically also include value-added services such as extended warranties and service agreements not available at any other time.

While Siemens has been a Novation supplier for its nuclear medicine and ultrasound products since 1999, the company was awarded contracts for CT, MR, cardiovascular and other modalities in 2005 — the same year Siemens decided to participate in its first three Novation group buys.

"Becoming a Novation-awarded supplier gave us exposure to a great percentage of hospitals across the country, in addition to the benefits of having the sales teams for VHA, UHC and Provista helping our sales team in the field with our mutual customers," says Scott Polston, Siemens' senior national accounts manager. "But even with our past Novation success, we had no idea how those first group buys would go."

### RESULTS

Almost four years and 15 group buys later, Siemens has its answer: "We had wonderful success with the first three group buys in 2005, and it has improved every year," says Polston. "We've established a great process and offering with these group buys, and through our great partnership with Novation, we've learned and improved each year."

Novation's group buy concept has proven particularly valuable to Siemens' "incremental business."

"That's how we refer to business that we thought might go to the competition or be delayed to a later date," says Polston. "In essence, we gained this incremental business because of the group buys and their substantial value to Novation's membership."



### SUPPLIER PROFILE

#### Siemens Medical Solutions, USA

*Headquarters:*  
Malvern, Pa.

*Year Established:*  
1857

*Program Participation:*  
Group buys since 2005

*What would Polston say to a Novation-awarded supplier concerned about offering an additional group buy discount on its products?*

"Sure, we are investing a lot of effort into this process, but look at what we're getting in return," he says. "I've traveled around and spoken with many of Siemens' sales force employees, and these group buys are a tremendous motivation for them. We're riding this wave of incremental business, Novation's excellent marketing and the excitement of our sales team in the field — and we can't wait to see where it takes us."

## SUPPLIER SUCCESS STORY

Siemens took the concept one step further when it chose to immediately place new CT technology in a group buy.

“We felt this was a great way to kick off our new technology,” says Polston. “We’re talking about immediately getting this new technology out to more than 30 percent of the hospitals in the country. Being a Novation-awarded supplier is an excellent avenue to grow sales and revenue, and the group buys just take that one step further.”

In addition to the enhanced group buy discount, Siemens offers value-adds that member organizations truly appreciate, including extended warranties, biomedical training and extra workstations.

Siemens expects “even bigger and better” things from its relationship with Novation in the future.

“This really is a joint effort between Siemens and Novation,” says Polston. “We enjoy working together, we’ve accomplished a lot and we’ve built on our momentum to make these group buys better every year. The Novation staff members are super people, and we’ve built a rapport and a trust with each other that goes above and beyond a normal group purchasing organization relationship.”