

OUTSOURCING TECH SUPPORT TO ACCELERATE GROWTH

Trexin helped a midsized PBM prepare for growth by outsourcing L1/L2 application and infrastructure support.

BUSINESS DRIVER

A growing mid-sized pharmacy benefit manager (PBM) offering medical prescription processing to reduce drug costs for members and improve client health benefit plan management had an aging technology platform and organizational structure for technical support that was increasingly incapable of supporting their expanding number of clients and membership base. To prepare for further growth, the company launched an initiative to optimize its workforce for “Level 1” and “Level 2” application and infrastructure support, with the end goal of efficiently scaling workforce skillsets and headcount to meet business growth needs while driving down operational unit costs through systems monitoring and automation. Anticipating that targeted cost savings and operational efficiencies would require some degree of outsourcing to a 3rd party vendor specializing in lower-level support services, the VP of Infrastructure & Operations asked Trexin to be his strategic advisory partner focused on outsourcing and vendor assessment, negotiation, and contracting.

APPROACH

Applying a 16-week timebox, Trexin’s primary responsibility was to prepare all components of the vendor contract to be used with the 3rd party infrastructure support vendor. Comprising a set of 14 distinct deliverables, this effort started with Trexin organizing the project work and gathering consensus alignment for the program goals and scope. Using market research and prior engagement experience, Trexin then produced a high-level business case that senior leadership used in their year-end budget discussions to solidify funding and drive executive alignment for the program. Working collaboratively with our Client’s operational team, Trexin then developed a project strategy to minimize business and employee impact from this enterprise change.

RESULTS

By the end of the project, our Client had a clear understanding of the projected cost savings and operational efficiencies that could be gained by utilizing a 3rd party vendor for Level 1 and Level 2 application and infrastructure support services. A formal business case was completed and subsequently funded, with material savings anticipated within three years that would enable the company to reinvest those savings (as well as reallocate their own workforce) towards higher value creation activities focused directly on the client experience. After evaluating several candidate vendors, a finalist was selected and a ready-to-sign vendor outsourcing contract was negotiated and completed by Trexin. The contract terms, SLAs, termination clause, re-badging, and other details covered over 100 pages.

Aspects of the negotiated contract include:

- 2 offshore vendors evaluated
- 100 contract pages written
- 60 employee rebadges defined
- 5 years of monthly fees specified
- 27 SLAs defined and baselined
- 1 governance model developed



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