

BEYOND CONTROL

How Healthcare Procurement Is Becoming the Engine of Institutional Resilience



Executive Summary

Procurement in healthcare is undergoing a quiet revolution — shifting from a gatekeeping function to a strategic partner that enables agility, innovation, and trust. Years of inflation, supply disruption, and reimbursement pressure have rendered traditional command-and-control models obsolete. What if procurement stopped being seen as the ‘land of no’ and instead became the engine of insight for unlocking hidden value? What if category strategies evolved beyond buying cheaper to partnering smarter, turning a turbulent environment into a competitive advantage? Leading organizations are aligning governance, technology and culture to transform procurement into the connective tissue of institutional resilience, a function that turns volatility into velocity, and we can show you how.

A Quiet Revolution in Healthcare Operations

Procurement has long been one of healthcare’s most misunderstood functions — viewed as the department of no: enforcing policies, policing spend and containing costs. For years, that mandate worked. Stability defined the environment; predictability defined performance.

That world no longer exists.

Today, persistent inflation, supply volatility, and shifting

reimbursement models are rewriting the economics of care delivery. The global shocks of recent years have made one truth clear: procurement can no longer be defined by what it restricts — it must be redefined by what it enables.

Across leading academic medical centers and integrated health systems, a quiet revolution is underway. Procurement is evolving from a control function into a strategic

enabler of agility, trust, and institutional resilience — one that accelerates research, strengthens care delivery, and safeguards long-term sustainability.

This is not a cultural shift. It is a structural transformation — redefining how healthcare creates value, manages relationships, and makes decisions.

Why Traditional Procurement Models No Longer Work

Traditional procurement was built for a world of predictability: stable supply markets, steady reimbursement streams, and long planning cycles. In that environment, control and compliance delivered results. But in today’s reality — defined by volatility, interdependence, and cost compression — the old playbook breaks down.

Healthcare systems are now navigating:

- Unstable supply chains, vulnerable to geopolitical and cyber disruption.
- Escalating costs across pharmaceuticals, consumables, and technology.
- Tightened reimbursement, limiting recovery of administrative overhead.
- New expectations, where procurement directly influences the physician and patient experience.

Command-and-control models, built for compliance and savings capture, cannot navigate these cross-pressures. When every decision must balance cost, risk, and mission impact, a “lowest price wins” approach becomes a liability.

The next generation of procurement will be defined by value stewardship — orchestrating decisions that optimize outcomes, not just budgets.

The Shift from Gatekeeper to Partner

In the legacy model, procurement’s success was measured by the savings it could document. In the modern model, success is measured by the outcomes it helps create.

Old Model	New Model	
Control & Compliance	Collaboration & Enablement	
• Policy enforcement and spending policing • Siloed operations by department or category • Reactive response to clinical needs • Focused narrowly on transactional savings	• Partnership with clinical and research leaders • Shared goals for value, quality, and resilience • Data-driven insight into cost and risk • Continuous improvement anchored in mission outcomes	Procurement is no longer the “department of no.” It’s the function that helps the organization say yes — safely, strategically, and sustainably. This shift represents more than role evolution — it’s a mindset change. Procurement is moving from enforcing compliance to enabling institutional capability.

From Transactions to Intelligence

Transformation begins with visibility. Without unified, reliable data, collaboration devolves into opinion. Unfortunately, the most valuable procurement data is often buried in unstructured formats across multiple systems, going unused by most organizations until recently.

Leading healthcare systems are investing in spend intelligence platforms that integrate contracts, supplier performance data, and purchasing trends into a single, actionable view. With AI-enabled analytics, these platforms uncover hidden risks, flag anomalies, and identify cost or reliability opportunities invisible to manual review.

When procurement and clinical leaders share the same data, they make better trade-offs — balancing patient outcomes with financial discipline and operational stability. Visibility turns procurement from an auditing function into a strategic advisory function — one that translates data into institutional foresight.

Reimagining Supplier Relationships

Procurement’s evolution is incomplete without rethinking how healthcare partners with its suppliers. For decades, vendor relationships were transactional and adversarial — focused on squeezing price rather than co-creating value. But in today’s interconnected markets, where resilience depends on collaboration, those relationships must evolve.	Progressive health systems are redesigning supplier partnerships around three principles: • Co-innovation: working with suppliers to enhance reliability, technology integration, and sustainability. • Shared performance metrics: linking supplier success to patient outcomes, research throughput, and service quality.	• Transparency and trust: building long-term relationships that can withstand disruption. The payoff is measurable — reduced volatility, improved supply continuity, and faster access to innovation. Healthcare organizations that embrace supplier collaboration are discovering what other industries have proven: value creation beats price competition every time.
--	--	---

The Leadership Imperative

Procurement's transformation will rise or fall on leadership alignment. Moving from control to collaboration requires visible sponsorship, clear governance, and cultural modeling from the top.

Three leadership commitments are essential:

- **Sponsor procurement as enterprise strategy.** Include procurement leaders in strategic and capital planning — not just budget cycles.

- **Champion shared accountability.** Make cost, quality, and risk shared metrics across procurement, operations, and clinical teams.

- **Model transparency and trust.** Recognize collaboration and innovation, not only savings, as measures of success.

Procurement cannot evolve in isolation. It must be empowered, integrated, and measured differently.

When executives model collaboration, procurement follows — and the culture of “control” gives way to a culture of partnership.



A Blueprint for Collaborative Procurement

Endeavor's work with academic medical centers and integrated health systems shows that collaboration succeeds when five enabling capabilities work together. These are not projects — they are organizational muscles that redefine how healthcare systems operate:

Integrated Spend Intelligence

A single source of truth for spend, supplier, and risk data

Category Playbooks

Consistent frameworks that balance cost, quality, and clinical alignment

Supplier Relationship Management

Proactive performance reviews tied to institutional goals

Adaptive Governance

Deviation rights and approval levels calibrated to risk and impact

Change Leadership

Communication and engagement that build trust and ownership across functions

When these enablers mature together, results follow quickly:

- Faster decisions aligned to clinical priorities.
- Stronger supplier performance and reliability.
- Sustained savings that don't erode over time.
- Higher engagement as teams view procurement as a partner, not a barrier.
- Improved resilience through earlier risk detection and smarter response.

Collaboration, when designed into the operating model, doesn't slow healthcare down — it makes it smarter.

Parting Thoughts

Procurement's mandate in healthcare has fundamentally changed. The question is no longer, "How do we control spend?" but "How do we create value together?"

In a system where supply stability determines patient outcomes and research productivity, procurement is no longer the gatekeeper — it's the bridge between mission and margin, connecting strategy to execution and intent to impact.

The organizations that thrive will be those that see collaboration not as a soft skill, but as a hard edge of competitive advantage.

The age of control has ended. The age of intelligent collaboration has begun.



About Endeavor Management

Endeavor Management is a consulting firm dedicated to helping healthcare organizations unlock sustainable performance through strategy, operations, and transformation. A founding member of Andersen Consulting, Endeavor combines global reach with deep sector expertise — bringing together data and AI capabilities, proven execution frameworks, and healthcare leaders who have delivered measurable results inside complex systems.

Our team includes former health system executives, procurement specialists, and transformation experts who understand both the business of healthcare and the mission that drives it. Together, we help clients turn insight into action — building supply chains, operations, and organizations that are smarter, stronger, and ready for what's next.

Authors



Jim Akers

Strategic Advisor –
Procurement, Supply Chain
& Operations

jakers@endeavormgmt.com



Francisco Soto

Managing Director,
Operational Excellence

fsoto@endeavormgmt.com

www.endeavormgmt.com/healthcare-supply-chain