



Case Study

ADULT AND PEDIATRIC DERMATOLOGY

Adult & Pediatric Dermatology (APDerm)
Improves Efficiencies and Drives Cost
Reduction with Strategic Sourcing
Engagement

Overview

APDerm was introduced to Treya Partners by its Private Equity investor, Waud Capital, a leading Chicago based private equity firm. Waud and Treya have partnered on multiple procurement optimization initiatives for Waud portfolio companies and identified procurement cost savings opportunities at APDerm.

APDerm, founded in 1992 as a solo practice, has focused on the following goals as it has grown: attract top dermatologists; create a collegial and collaborative environment providing the highest standard of care for patients; and support providers with well-run operations so they can focus on patient care. APDerm is a physician-led, patient-centered dermatology network that continues to grow and deliver expert dermatological care at all locations.

About APDerm

APDerm offers a wide range of dermatology services, which include medical, adult and pediatric dermatology, surgical, phototherapy, cosmetic and other related treatments, providing patients with access to available dermatology treatments to meet their needs and priorities.

The Outcome & Results

\$1.2M / 19%

total project savings

\$12M+

in Enterprise Value Creation

The Challenge

APDerm has multiple locations across New England and had grown through acquisition. The supply base was fragmented, purchasing was decentralized, and the company’s enterprise-wide purchasing power was not being leveraged. Market conditions mid-pandemic were challenging, with an inflationary environment and supply chain issues. Treya was tasked with creating procurement cost savings for APDerm while ensuring its business needs were fully met.

The Process & Solution

Treya utilized a mix of competitive bidding processes, incumbent supplier negotiations, and Group Purchasing agreements to create cost savings for AP Derm. Treya’s two phased value creation engagement addressed \$6.3 million in baseline spend. Treya worked closely with AP Derm stakeholders to understand their business needs and collaborated closely with APDerm throughout the project to ensure that savings created were sustainable. Supplier interactions were always respectful and transparent.

About Treya Partners

Leading provider of Procurement Improvement services across the public and private sectors since 2006. Clients served include 15 state governments, multiple institutions of higher education, and over 50 private equity funds.

treypartners.com

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Treya Partners provided both the expert resources and excellent processes required to drive enterprise-wide cost efficiencies. They worked exceptionally well with our internal staff and didn’t alienate existing business partner relationships.

- Eric Bettinger -
Chief Financial Officer
APDerm

The Outcome & Results

The Treya / APDerm strategic sourcing project created **\$1.2M** or **19%** in cost savings on an addressable baseline of \$6.3M. Treya’s collaborative and data-driven approach addressed over 10 spend categories over 2 phases of sourcing. Incumbent suppliers were retained in many cases, allowing APDerm to realize significant savings upon contract execution without having to deal with transition time.

Project Savings

