

AN E-BOOK BY

A photograph of a middle-aged man with a beard and grey hair, wearing a light blue button-down shirt. He is holding a smartphone to his ear with his right hand and looking down at a laptop screen with his left hand. The background is a bright, out-of-focus office or home workspace with large windows.

TRANSFORM YOUR FOOD PURCHASING AND REAP SEVERAL BENEFITS

How one organization unlocked nearly \$1 million in savings,
transformed fragmented ordering into 70% time gain

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When Westmont Living streamlined food purchasing across its 19 senior living communities, the transformation was immediate and measurable:

- **Ordering time:** Reduced by 70% with automatic general ledger coding.
- **Food costs:** US Foods documented \$965,972 in Premier contract savings for 2024.
- **Invoice volume:** Decreased from seven to nine per delivery down to three consolidated categories (food, chemical and kitchen supply).
- **Budget control:** Threshold approvals and real-time alerts prevented month-end surprises.

But for Erwin M. Lazaro, Westmont Living divisional director of culinary services for the organization, the metrics only tell part of the story.

"Our heart is with the residents," he emphasized. "Less time on screens means more time for creative menus and meals they enjoy."

This transformation didn't require a massive technology overhaul or lengthy implementation. A mentor-led rollout and standardized order guides made adoption simple.

By combining the competitive pricing offered through Premier's group purchasing organization contracts with the automated workflows of Premier's SmartPO, the company's e-procurement solution for continuum of care providers, Westmont unified fragmented ordering into

streamlined operations, delivering day-one value and lasting results that support strategic sourcing. And its journey offers a practical roadmap for other senior living organizations ready to reclaim hours, reduce costs and shine a spotlight on what matters most: resident-focused care.

SETTING THE TABLE FOR TRANSFORMATION

Westmont Living is a long-standing member of Premier, a technology-driven healthcare improvement company serving two-thirds of US healthcare providers. The two organizations have partnered for more than a decade.

Through its Continuum of Care division, Premier has helped Westmont realize significant value across its 19 communities through a comprehensive foodservice program, which includes an industry-leading portfolio of GPO contracts and a national distribution agreement with US Foods. Disconnected ordering processes diluted those savings, however.

"Every community had its own way of ordering," Lazaro recalled. "We needed one system that would work across all our communities."

To address the challenge, Westmont's leadership set three clear goals in 2024:

- Standardize purchasing on Premier's contracts across all communities.
- Gain real-time budget visibility to prevent month-end surprises.



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- Reduce ordering time without sacrificing culinary creativity and resident satisfaction.

The decision to take advantage of Premier's SmartPO delivered rapid results. Within the year, purchasing workflows were standardized across all 19 communities, with each location following the same streamlined process.

"We already can see consistency improving from site to site," Lazaro noted. "Now we're using that visibility to drive smarter purchasing decisions."

THE VISION: ONE SEAMLESS FLOW

Those smarter decisions became possible through an integrated approach, with Premier's GPO contracts with US Foods setting price and product standards and Premier's SmartPO delivering daily control. Today, Westmont Living's kitchens and finance teams work from the same playbook, creating one seamless flow from menu-planning to payment.

Across its 19 communities, Westmont cut ordering time from approximately 60 minutes to 15 to 20 minutes per site. "Bringing US Foods and Premier's Food Service Direct Order system together with Premier's SmartPO platform mean decisions happen sooner - with facts, not assumptions," Lazaro noted. The process:

- **Plan:** Culinary teams build menus using US Foods and Premier's 70+ contracted categories. Items populate Premier's SmartPO order guides at negotiated prices, ensuring that every menu decision starts with contracted value.
- **Order:** Culinary teams place orders through one login, with automated approvals and real-time budget checks. The punchout for US Foods, Premier's primary distribution partner, displays contract items and pricing. Orders that once required an hour of juggling multiple sites now flow through a single portal.

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— ERWIN M. LAZARO, WESTMONT LIVING

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- **Receive:** Digital confirmations match original purchase orders automatically. Three invoices (food, chemical and kitchen supply) replace seven to nine paper shuffles, with GL coding from US Foods applied in Premier's SmartPO. Vendor consolidation also reduces delivery touchpoints and dock time.
- **Improve:** Dashboards alert teams to price variances that may call for menu adjustments. Kathy Kickert, vice president of Foodservice program development at Premier, cited an example: "You have eggs on your menu for breakfast, lunch and dinner. When egg prices spike, having this information in real time allows you to adjust and, let's say, only have eggs in the morning or twice a week instead of five times a week. This kind of information could affect costs before month- and quarter-end."

Beyond daily operations, Westmont validates Premier's original vision. "The goal was never two separate tools," explained Nichole Sellers, growth manager for Premier's SmartPO. "It's a single ecosystem connecting data, people and outcomes."

To illustrate the broader potential, Sellers cited a different member's success: One multi-site organization saved about \$200,000 per year by redirecting everyday items from a marketplace to contracted US Foods lines and using order guides and approval workflows.

THE FOUNDATION: DEPTH, DATA AND DAY-ONE VALUE

Behind those dramatic results lie two powerful components, each bringing unique value to the integration.

For Westmont Living, transformation started with Premier's GPO contracts with US Foods, delivering immediate, transparent savings across more than 70 categories with the data visibility to manage spend intelligently from day one. US Foods' 2024 business review validated the impact: Westmont saved \$965,972 through Premier's negotiated contracts — almost \$1 million kept in its operating budget rather than paid to suppliers. Benefits offered:



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When the kitchen and finance teams use the same playbook, the flow from menu-planning to payment is seamless.



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- **Immediate value:** Unlike competitors that hold back savings for quarterly rebates or volume tiers, Premier puts value directly on the invoice. As John Merendino, vice president of strategy and operations, food service, Premier, explained, "You're paying that low price upfront, the moment you buy the product." This transparency enabled Westmont to see exactly where every dollar went and explain costs to operators in real time.
- **Portfolio depth with protection:** With more than 70 categories versus about 40 to 50 from competitors, Premier provides choices while maintaining quality standards. Having contracted suppliers means recall tracking and warranty support, critical protections absent from marketplace purchases. "When one member discovered it was buying ground beef in one, five, 10 and 80-pound packs across six different US Foods distribution centers, we helped standardize specifications," Kickert shared. "That delivered both consistency and savings."

"You better know your numbers before a consultant tells you what your numbers are."

— JOHN MERENDINO, PREMIER INC.

- **Price stability:** Coffee demonstrates the program's predictability. When commodity prices swing, Premier's pricing methodology keeps increases visible and manageable. "We build our contracts for long-term stability," Merendino said. "Members can plan menus with confidence instead of reacting to price swings."

THE ACCELERATOR: SPEED, VISIBILITY, CONTROL

Building on the pricing stability offered through Premier's GPO contracts, Westmont added Premier's SmartPO, a cloud platform for e-procurement, inventory and accounts payable automation that transforms pricing advantages into daily operational control. Benefits it realized:

- **Speed revolution:** Before Premier's SmartPO, orders consumed an hour, with separate logins for food, chemicals and supplies. Now? "Fifteen minutes, done," Lazaro said. "GL codes populate automatically. Premier's SmartPO breaks down what's

food, what's chemical, what's kitchen supplies, all in one system." The time savings compounds across 19 communities daily.

- **Real-time visibility:** The dashboards available in Premier's SmartPO display per-community spending as it happens. When a community is approaching budget limits, the system blocks orders pending approval. "We control the invoices, we control the approval, we control expenses," Lazaro explained. The corporate office can check any community's purchase-to-pay details instantly — no more monthly guessing games or surprise overages.
- **Zero transaction fees:** Unlike competitors charging 0.7% to 4% transaction fees hidden in margins, SmartPO charges nothing. "It's extremely transparent," Sellers noted. "Members see true costs, vendors aren't penalized and that \$40,000 that would go to transaction fees on \$5 million in spend? It stays in the member's pocket."

The efficiency gains proved dramatic: Westmont's purchasing time per order fell approximately 70%. That amount aligns with Premier's SmartPO's typical 40% to 70% front-end savings and, on the back end, AP automation commonly frees about five to 50 hours per cycle, depending on invoice volume.

TRANSFORMATION TIMELINE: FROM DAY ONE TO OPERATIONAL EXCELLENCE

Westmont's transformation followed a predictable pattern that any senior living provider can replicate. Based on hundreds of implementations, here's the proven roadmap from fragmented to unified operations:

- **Before day 1:** Audit current suppliers, logins and invoice types across all communities.
- **Day 1 to 30:** Lock order guides to contracted items. Configure GL codes. Launch mentor-led training.
- **Day 30 to 60:** Monitor adoption. Expect a 50% time reduction as teams adapt. Adjust approval thresholds.
- **Day 60 to 90:** Scale across remaining communities. Track compliance improvements. Document labor gains.
- **Day 90+:** Identify next automation opportunities. Calculate return on investment. Plan expansion to other spend categories.

Each milestone builds to operational excellence through full transparency. As Merendino says: "You'd better know your numbers before a consultant tells you what your numbers are." With this roadmap, those numbers are visible in real time, across every community, for every meal. ■