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 **Staples**Business™

2025 State of Healthcare Procurement:

Resilience, AI, Sustainability and the Power of Strategic Sourcing

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Executive summary: Charting a path for procurement excellence.

A note from Staples Business™.

The healthcare industry is undergoing profound transformation. With a seat in the C-suite, supply chain leaders must navigate rising costs, shifting regulations and disruptions — all while keeping patient care, safety and quality at the forefront.

At Staples Business, we're proud to partner with healthcare procurement professionals nationwide, witnessing firsthand the innovation, resilience and strategic thinking shaping today's supply chains. In collaboration with Healthcare Purchasing News, we are excited to share new research revealing a shift from traditional cost-saving strategies to a broader focus on total value — including quality, reliability, sustainability and agility.

To support this evolution, Staples delivers the scale, technology and expertise healthcare organizations need. Our supply chain ecosystem includes a nationwide logistics network with 35+ warehouses, next-day, department-level delivery to 98% of the U.S. and AI-driven inventory optimization and sustainability initiatives that reduce packaging waste by up to 50%.

We hope this report offers valuable insights as you plan for the year ahead. Staples Business is here to support you — every step of the way.



Ryan Hanson
Chief Supply Chain Officer
Staples Business



Nearly **40% of respondents** identify alternative product sourcing as a key part of their emergency planning, underscoring the need for agile supply chain management.

7 key insights shaping the future of healthcare procurement.

1. Balancing cost and quality.

Nearly 70% of respondents rank balancing cost and quality as a top challenge. This suggests a shift away from solely focusing on cost reduction and a growing recognition of the importance of quality and reliability, especially in the realm of increasing disruptions.

2. Sustainability on the rise.

An impressive 96% of respondents prioritize sustainability, directly shaping supplier selection and procurement policies. This widespread commitment to environmentally responsible practices signals a shift toward partnerships with reliable, long-term suppliers who uphold strong ethical standards, environmental responsibility and financial stability.

3. Technology gaps.

More than 40% of organizations seek better analytics and reporting tools to enhance spend management, underscoring the demand for advanced procurement intelligence. Additionally, organizations seek more integrated systems to enhance visibility, efficiency and overall spend management.

4. Insufficient emergency preparedness.

While most organizations have plans in place, only 60% regularly test and update, suggesting that many may not be fully prepared to handle emergencies effectively. This could lead to gaps in response readiness when an actual crisis occurs, as the plans may not be up to date or well-practiced.

5. AI adoption has surged.

Nearly 90% of healthcare procurement professionals are leveraging AI-driven solutions — a 20% increase from 2024.

6. Inconsistent technology adoption.

While supplier management platforms, AI-driven procurement tools and automation are increasingly being adopted, a significant portion of organizations still rely on traditional ERP systems and spreadsheets. This highlights a gap in technology adoption, suggesting that many organizations are not fully leveraging modern digital solutions for procurement management.

7. Supplier relationships matter.

Beyond cost considerations, procurement leaders value suppliers who prioritize responsiveness, reliability and risk management collaboration.

Top 5 challenges and opportunities.

A notable shift is the growing emphasis on sustainability, with 96% of organizations identifying it as a medium or high priority. This trend is likely driven by regulatory requirements and stakeholder expectations. Sustainable sourcing involves selecting suppliers who demonstrate strong ethical conduct, environmental responsibility and financial stability – qualities that contribute to their reliability as long-term partners.

Challenges

- 1 Rising costs
- 2 Balancing cost with quality
- 3 Inventory management complexity
- 4 Disruptions due to natural disasters
- 5 Cybersecurity risks

Priorities

- 1 Ensuring product quality and safety
- 2 Enhancing supply chain resistance
- 3 Preparing for supply chain resilience
- 4 Automating procurement and inventory management
- 5 Increasing sustainability and eco-friendliness

“

While sustainable and ethical sourcing may sometimes involve higher upfront costs, a holistic approach – considering the total cost of ownership – often reveals long-term value. For example, while a reusable product may have a higher initial price, its durability and reduced waste can lead to significant cost savings and a short payback period. Additionally, sustainability initiatives such as reprocessing programs and energy conservation present opportunities for both immediate and long-term financial benefits. By aligning sustainability with strategic cost management, organizations can drive resilience, efficiency and value across the supply chain.

Cristina Indiveri

Associate Vice President, Core Tenet Programs, Viziont

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Managing indirect spend: Balancing value, quality and sustainability.

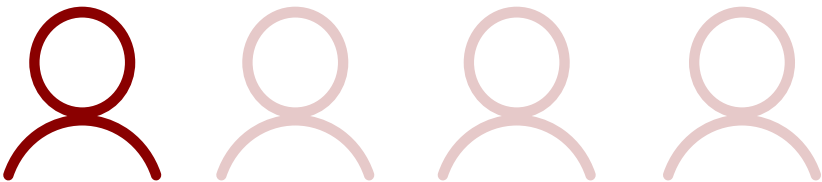
Nearly 75% of healthcare organizations allocate 10% to 50% of their budget to indirect spending, reinforcing its strategic importance. Among this group, 25% said they allocate more than 50% on indirect spend.

The growing trend of a hybrid spend management approach — balancing centralized and decentralized models — offers flexibility but also introduces challenges in standardization and risk mitigation. This approach likely reflects the need for flexibility across different spend categories, potentially improving resilience through localized sourcing for some items.

“Clinical spend is about the clinician’s choice and selecting what is most appropriate for patient care. In non-clinical spend, decisions are usually based on programs like service contracts, support and cost drivers. We work as a sourcing/end user team to understand all the potential levers and selection criteria. Those might include contract terms, pricing, service levels, sites covered, support packages or utilization options.

Steve Downey

Vice President, Chief Supply Chain and Support Services Officer, Cleveland Clinic



25% said they allocate more than 50% on indirect spend.

How organizations manage indirect spend.

Hybrid model *(some categories centralized; others decentralized)*



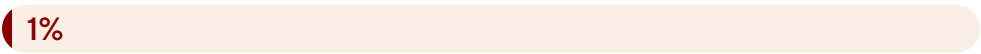
Fully centralized procurement



Decentralized with department autonomy



Unsure



All respondents (n=150).

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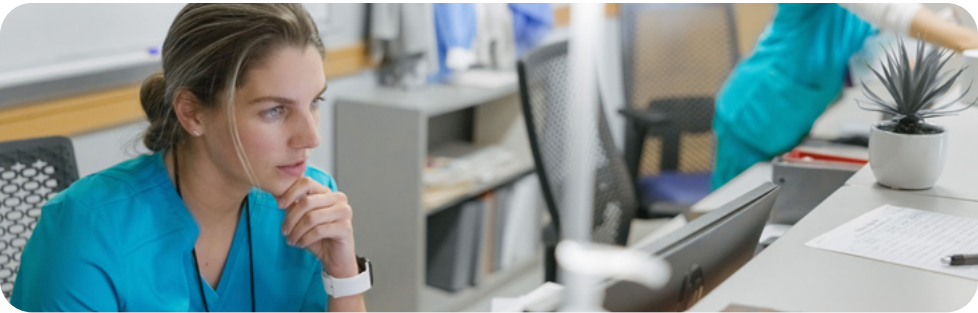
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MANAGING INDIRECT SPEND: BALANCING VALUE, QUALITY AND SUSTAINABILITY



Top 5 challenges in managing indirect spend.

Balancing cost and quality remains a top challenge for nearly 70% of respondents, which is crucial for operational continuity, especially during disruptions. This may suggest a departure from previous strategies that overemphasized cost reduction at the expense of quality and resilience.

Balancing cost savings with quality



Standardizing purchasing processes



Resistance to change in suppliers



Vendor fragmentation



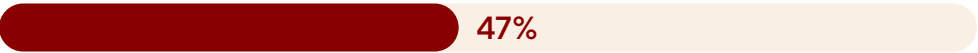
Lack of visibility in spend data



All respondents (n=150).

Key enablers for managing indirect spend.

Regular review and optimization of spend by category



Implementation of spend category management



Standardized purchasing processes across departments



Additional training for procurement teams



Better data analytics and reporting tools



All respondents (n=150).



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REDEFINING SUPPLIER PARTNERSHIPS: THE NEW SCORECARD CRITERIA

Redefining supplier partnerships: The new scorecard criteria.

Product availability, variety and pricing are key priorities. However, healthcare organizations also prioritize seamless ordering, efficient fulfillment and exceptional service. They seek suppliers who simplify logistics with consolidated purchasing, a single contact and integrated delivery. A unified, user-friendly platform is essential — one that simplifies procurement, enhances spend control and provides real-time visibility to track budgets, manage expenditures and ensure compliance.

Key factors when selecting a supply chain partner.

- 39% Product availability and variety
- 35% Competitive pricing
- 33% Seamless ordering and fulfillment processes
- 32% Online platform: Ordering, budgeting, real-time reporting and analytics.

All respondents (n=150).



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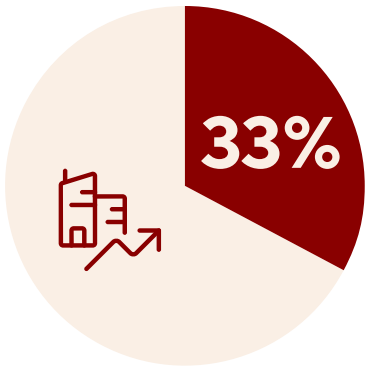
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REDEFINING SUPPLIER PARTNERSHIPS: THE NEW SCORECARD CRITERIA

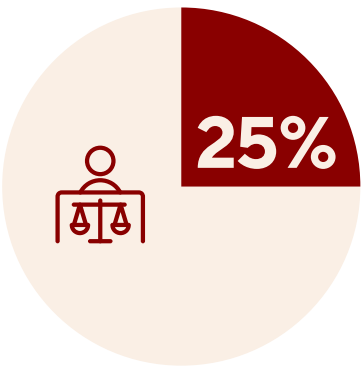
The 3 biggest challenges for healthcare organizations.

Rising costs remain the biggest challenge for healthcare organizations, closely followed by the struggle to balance cost savings with quality. The pressure to cut expenses can jeopardize quality, safety and delivery reliability. This weakens resilience, reduces the ability to manage disruptions and restricts investments in redundancy and contingency planning.

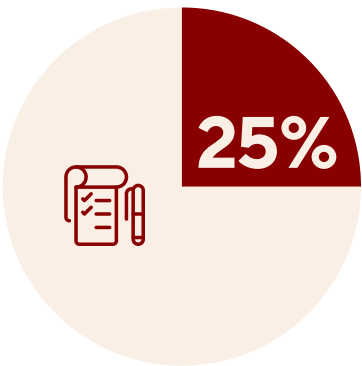
All respondents (n=150).



Rising costs



Balancing cost with quality



Inventory management complexity

“

Disruptions hurt, as you may have to substitute in something with less-than-ideal parameters. Resiliency is about working to avoid having to do that but having that best-possible second choice ready and identified to prevent any sort of disruption in care.

Steve Downey

Vice President, Chief Supply Chain and Support Services Officer, Cleveland Clinic



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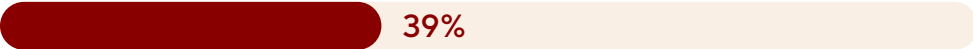
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REDEFINING SUPPLIER PARTNERSHIPS: THE NEW SCORECARD CRITERIA

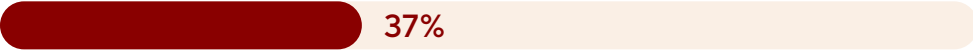
Supplier evaluation: Key measures of success.

Supplier responsiveness ranks as the leading performance metric, reinforcing the need for adaptable and communicative supplier partnerships. Equally important is a strong supplier relationship index which facilitates open communication, effective problem-solving, contingency planning and risk management. Healthcare organizations also prioritize budget alignment and short delivery lead times. Together, these factors indicate a shift toward a more integrated, strategic approach to supplier selection and evaluation.

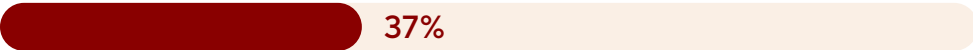
Supplier responsiveness



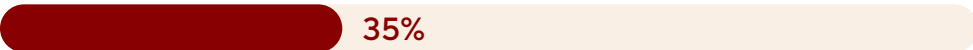
Strong supplier relationship index (trust, communication, collaboration)



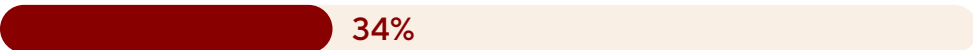
Consistently meeting budget targets



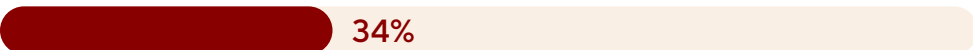
Short delivery lead times



Reduced waste and inefficiency



On-time and accurate deliveries



All respondents (n=150). Multiple answers permitted.

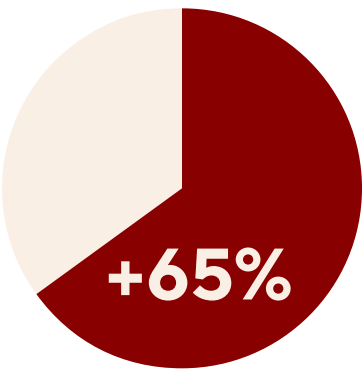
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We employ a rigorous supplier score carding process with our top suppliers across all care sites where we measure a supplier’s performance across quality, cost, delivery, technology and service. These consistent metrics help us baseline expectations for our suppliers on various KPIs we tie to quality specifically, such as recalls and internal event reports.

Ian O’Malley

Executive Director, Strategic Sourcing, UChicago Medicine

The majority of organizations assess their indirect spend suppliers annually.



Over 65% of organizations assess indirect spend suppliers annually, while 31% do so every two to three years, suggesting satisfaction and less need for frequent reviews. However, some conduct quarterly business reviews and use dynamic contract management to take a proactive approach, actively managing supplier relationships to maximize value, mitigate risks and drive better outcomes.

All respondents (n=150).

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HARNESSING DIGITAL VISIBILITY FOR A STRATEGIC ADVANTAGE

Harnessing digital visibility for a strategic advantage.

Nearly two-thirds of respondents use supplier management platforms for tracking indirect spend, yet many still rely on ERP (58%) and Excel (55%), reflecting a transitional digital landscape.



Most helpful features in managing indirect spend.

Supplier management platforms

63%

ERP (Enterprise Resource Planning) systems

58%

Excel or other manual tracking tools

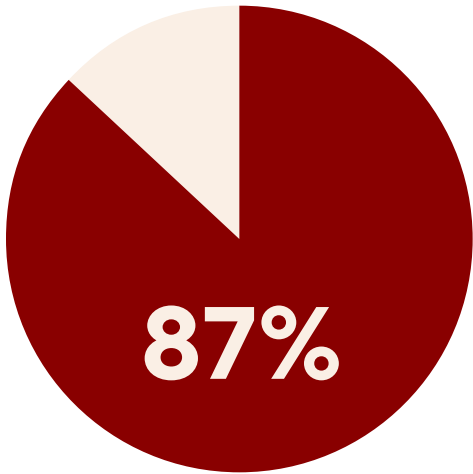
55%

Dedicated procurement platforms

43%

All respondents (n=150). Multiple answers permitted.

Organizations with real-time visibility into its supply chain.



A majority of organizations report good or excellent real-time supply chain visibility, showcasing progress in technology adoption.

“

The role of analytics will continue to expand, with a greater focus on predictive modeling and AI-driven insights. We anticipate a shift toward fully integrated platforms that provide real-time supply chain visibility, allowing for proactive decision-making and risk mitigation. Enhanced interoperability between financial, operational and clinical data systems will be crucial in driving efficiencies and cost reductions.

Micah Parker

Senior Vice President, Spend Management Solutions, Vizient

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Strengthening emergency preparedness and response through a resilient supply chain.

While most organizations have emergency response plans, only 60% actively test and update them, highlighting potential weaknesses.

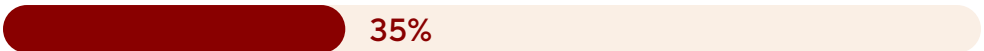
Forty percent of organizations prioritize alternative product sourcing as a key aspect of emergency planning, highlighting the need for diversified supply chain strategies. Strengthening collaboration with key suppliers — another top priority — improves communication, shared risk assessments and alternative solutions. This collaborative approach, paired with investments in predictive analytics, fosters a resilient, agile supply chain capable of adapting to disruptions.

Adoption of emergency response plans.

Regularly test and / or update



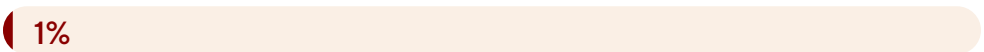
Sporadically test and /or update



Currently developing a plan



No, but there is interest in developing a plan.



All respondents (n=150).

Top 3 supply chain priorities for emergency preparedness planning.

1. Identifying alternative option for critical supplies. — 39%
2. Strengthen collaboration with key suppliers to ensure access to critical supplies. — 35%
3. Investing in predictive analytics to anticipate and respond to disruptions. — 34%

All respondents (n=150).

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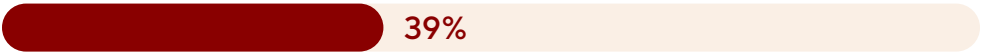
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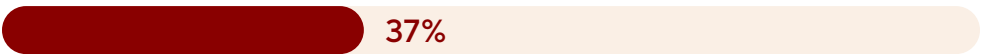
Top 5 capabilities for enabling a better response to supply chain disruptions.

Real-time inventory tracking is cited as the most effective disruption-mitigation tool, followed by multi-sourcing strategies and supplier collaboration. Integrated data systems and automated reporting tools also rank high, which underscores the growing reliance on technology to manage complex supply chains and gain actionable insights.

Real-time inventory tracking



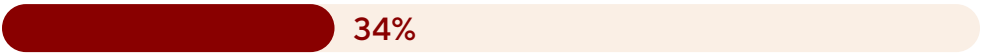
Multi-sourcing strategies



Integrated data systems



Automated reporting tools



Collaboration and connectivity with suppliers



All respondents (n=150).

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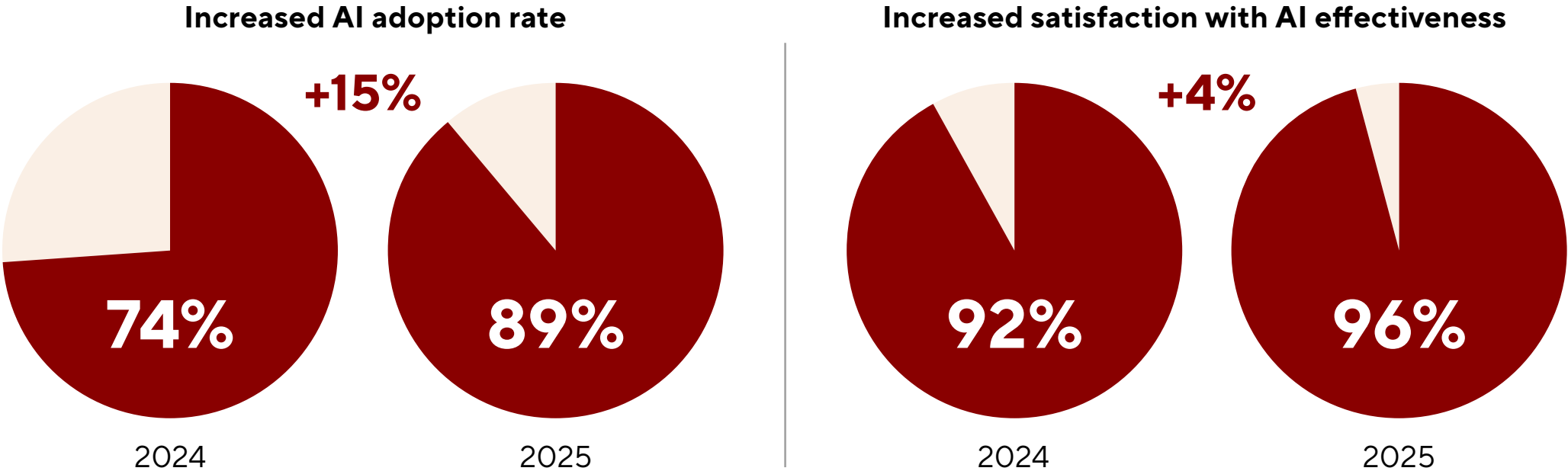
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The AI revolution in healthcare procurement.

AI enhances procurement processes through predictive analytics, supplier performance tracking and automated decision-making, leading to greater efficiency and cost optimization. The adoption of artificial intelligence has surged, with nearly 90% of healthcare procurement professionals leveraging AI-driven solutions — a 15% increase from 2024.



“

AI is transforming healthcare procurement from reactive to predictive. At Staples, we’re evolving with intelligent automation and real-time data to help healthcare systems anticipate disruptions, optimize indirect spend and make smarter, faster decisions. The result is a more resilient, cost-effective and sustainable supply chain — one that meets the evolving demands of modern care delivery.

Robert Hinojosa

Senior Director, Data Solutions & AI Engineer, Staples Business

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OPTIMIZING THE EVS BUDGET THROUGH AUTOMATION AND SUSTAINABILITY IN ACTION

Optimizing the EVS budget through automation and sustainability in action.

More than a third (37%) of environmental services (EVS) teams cite budget constraints as their top challenge, underscoring the struggle to balance hygiene and safety with cost control. Balancing cost with quality is a top concern among 35% of respondents, and while effective cleaning products and services are essential, the pressure to maintain high standards without exceeding budgets makes finding affordable, high-quality solutions increasingly difficult. To navigate this challenge, EVS teams may need to explore innovative procurement strategies — such as bulk purchasing, value analysis or sourcing from alternative suppliers — ensuring they can maintain both cleanliness and cost efficiency.

Sustainability is a major focus, with rising demand for eco-friendly cleaning agents, waste reduction initiatives and energy-efficient equipment. Automation and robotics are also gaining traction, with hospitals exploring AI-powered sanitation tools and robotic cleaning systems.



Top 3 EVS procurement challenges:

- 1. Budget constraints — 37%
- 2. Balancing cost with quality — 35%
- 3. Procuring quality eco-friendly cleaning products — 32%

All respondents (n=150).

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What EVS leaders really want from suppliers: 6 critical takeaways.

EVS procurement professionals are focused on enhanced sustainability, technological innovation and efficiency.

1. Sustainability

- Prioritized eco-friendly products (biodegradable, non-toxic), advanced waste management (recycling, composting, hazardous waste), energy-efficient equipment, water-saving systems and renewable energy adoption.
- Transparency in eco-friendly product sourcing and supply chain sustainability.
- Green building consultations and sustainability audits.

2. Training and support

- Enhanced staff training on green practices, advanced cleaning technologies and infection control.
- Improved customer support with personalized service, faster response times, extended availability and mobile apps/customer portals.
- Employee well-being focused on mental health and ergonomics.

3. Cost and efficiency

- Cost-effective solutions for high-demand facilities, loyalty discounts and streamlined processes.

4. Technology and automation

- AI for cleaning quality control and waste management, automated cleaning tools (robotic cleaners) and real-time tracking for schedules, inventory and waste.
- Advanced sanitation technologies like UV sterilization and air purifiers.

5. Service expansion

- Specialized sanitation services for high-risk areas and medical equipment, biohazard cleanup, in-house procurement support and natural pest control.
- Consolidated services and product offerings.

6. Innovation

- New sustainable products (reusable microfiber cloths, biodegradable containers), water conservation systems (rainwater harvesting) and advanced waste/resource management with detailed audits.

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The modern procurement imperative: A roadmap for transformation.

The healthcare procurement sector is at a critical juncture. Organizations must proactively address cost containment, quality assurance and sustainability by embracing AI-driven procurement, strengthening supplier relationships and enhancing emergency preparedness.

Investments in predictive analytics, automation and integrated procurement platforms are crucial for cost efficiency and supply chain resilience. Healthcare leaders must focus on sustainable sourcing, collaborative supplier management and real-time decision-making to navigate an increasingly complex landscape. By leveraging cutting-edge technology and strategic partnerships, procurement can drive operational excellence and ensure uncompromised patient care.

“The largest hindrance is a clear decision-support platform, as we have so many opportunities across our complex supply chain. Specific analytics can assist with waste, inventory adjustments, sourcing opportunities, utilization improvements, freight, on and on ... but prioritizing the impact of each and stack ranking them isn’t an easy process yet.

Steve Downey

Vice President, Chief Supply Chain and Support Services Officer, Cleveland Clinic

“

At Staples, we believe true resiliency means never having to compromise care. That’s why we invest in predictive analytics, nationwide logistics and trusted supplier relationships — so healthcare providers not only avoid disruptions but are always prepared with reliable, high-quality product alternatives. It’s about delivering confidence, not just products.

Ryan Hanson

Chief Supply Chain Officer, Staples Business



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In January 2025, we surveyed 150 healthcare procurement decision makers and executive leaders around the nation in partnership with Endeavor Business Intelligence.

The majority (62%) of survey respondents work in mid-sized hospitals with 300 to 499 staffed beds. Those with less than 300 beds represent 20% of the respondent pool, and larger hospitals with 500+ beds make up the remaining 17%.

Half of the respondents (50%) work for an integrated network/IDN, and nearly that many (47%) work for a standalone hospital, with a few (3%) working in surgi-center/ambulatory care centers.

The survey successfully reached individuals with significant influence and oversight of healthcare purchasing decisions, drawing insights from a range of senior executives, CEOs/administrators/executive directors and those directly involved in the day-to-day procurement process, including leaders in materials management, purchasing and logistics roles.

Survey panel profile.

Types of organizations.

Integrated network / IDN (multiple hospitals/alternate sites)



Standalone hospital (for profit, nonprofit, government)



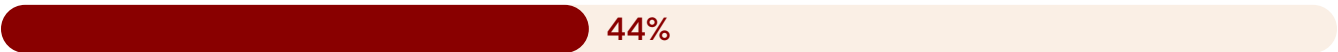
Surgi-center / ambulatory care center



All respondents (n=150).

Types of roles.

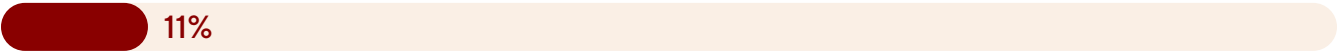
CEO / administrator / director / ambulatory center



VP / director / manager, materials / purchasing / logistics / supply chain



Chief technology officer / chief innovation officer



Officer, chief supply chain / purchasing / procurement



All respondents (n=150).

SURVEY PANEL PROFILE

Survey panel profile.

Procurement categories.

Business technology equipment



Office supplies



Furniture



Cleaning equipment and supplies



Breakroom products (e.g., coffee, snacks, water)



Print and marketing (e.g., signage, brochures, forms)



All respondents (n=150). Multiple answers permitted.

Procurement responsibilities.

Select vendors



Make decisions regarding purchase



Evaluate products



Write specifications for products



Make recommendations for purchases



Process purchases



All respondents (n=150). Multiple answers permitted.



Your partner for a smarter healthcare supply chain.

Streamline ordering across product categories, control rogue spending and rely on uninterrupted service from our nationwide delivery network.



GPO member savings.



Digital account tools.



Seamless setup and integration.



Next-day delivery to over 98% of the U.S.



Experts always ready to help.



Learn more and contact a supply chain expert at staplesadvantage.com/healthcaresupplychain

That was

