

# TURNING BIG DATA INTO OPPORTUNITY AT VA

BY ERIC GILLESPIE

With more than 1,700 facilities, the VA is the nation's largest integrated healthcare system. As the veteran population grows and diversifies, an integral part of delivering high quality healthcare will depend on the actual medical equipment deployed at these facilities. It's an important mission, and also one of the largest markets for medical imaging equipment manufacturers and service providers.

Big data can help navigate the VA equipment install base, bringing visibility from an agency overview down to a single hospital facility. To illustrate this, we used procurement data to focus on the medical imaging equipment market within the VA, where expensive medical machinery purchasing decisions are made individually.

We analyzed VA bulk buy programs on a massive contract vehicle using big data technologies and analytics to categorize equipment. Exhibit 1 illustrates total VA spend on medical imaging equipment for calendar year 2014. According to procurement data analyzed through the Govini platform, the VA spent almost \$578 million on six categories.

Two of the categories, computed tomography (CT) and x-rays, account for 75 percent of spend. March and August show the strongest buying spikes in 2014, and a year-over-year analysis confirms when a buying pattern, by season or equipment type, exists at each facility. The breakout by equipment type can also highlight areas for future growth. While mammography equipment only accounts for one percent of spend today, that number is

Figure 1: VA medical imaging device purchases by equipment category, by month, in 2014.

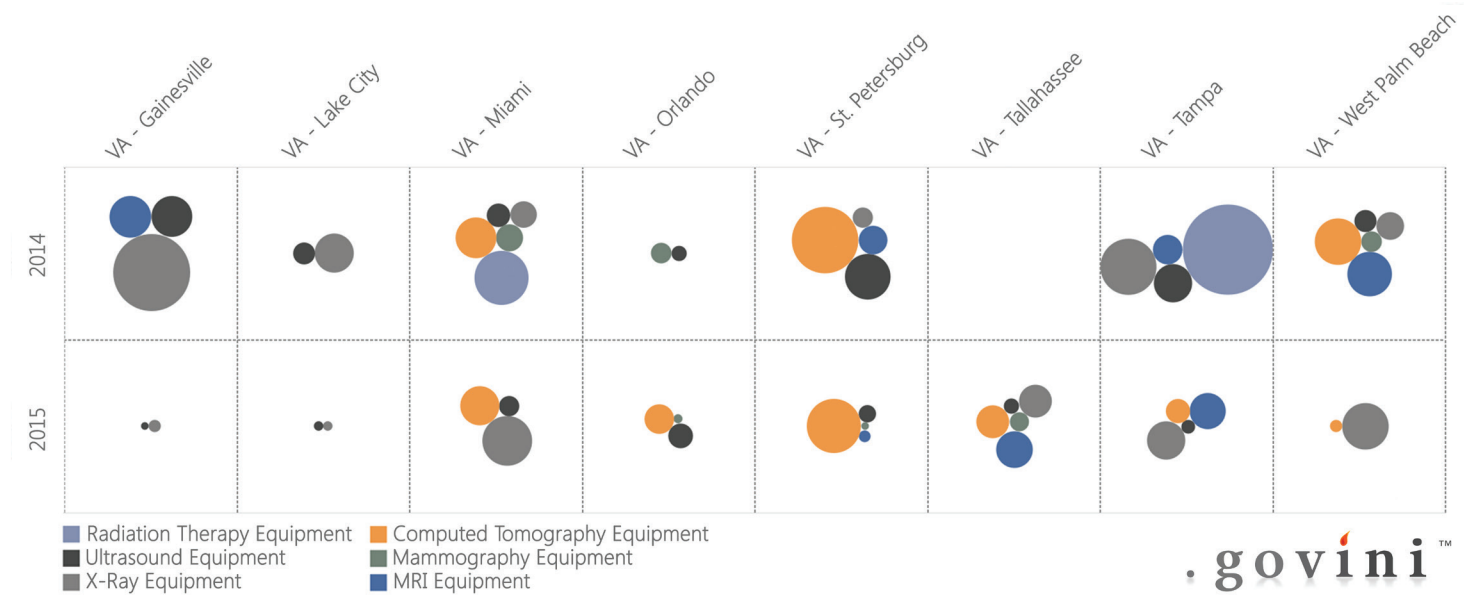
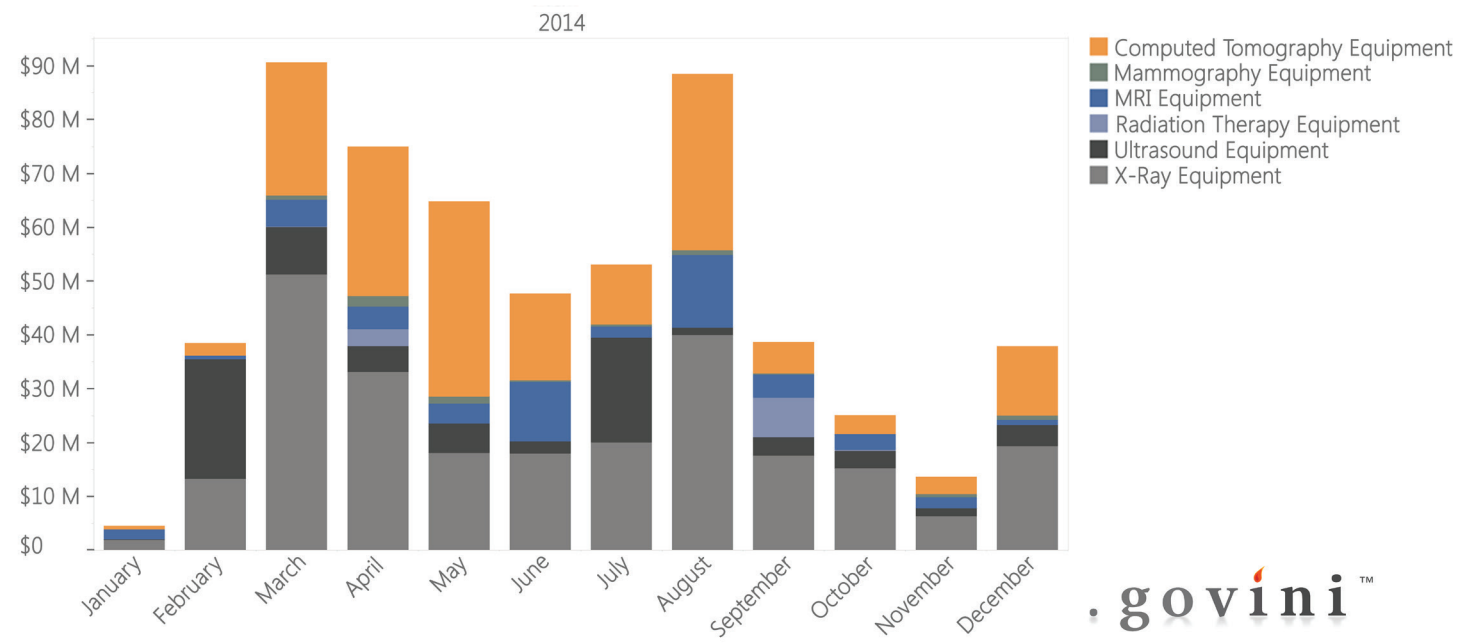


Figure 2: Equipment purchases by dollar amount, by facility, in the VA Sunshine Healthcare Network, VISN 8.

forecasted to increase in the coming years to reflect changing veteran demographics.

After defining the total addressable market to get an overview, we then drilled into purchases first by individual VISN, and then down to the individual facility. Exhibit 2 shows equipment spend by facility for 2014 and partial 2015. In 2014, VISN 8 accounted for about 10 percent of VA equipment sales, but top equipment types do not mirror the department-wide view. While radiation therapy equipment barely registers at two percent of total VA spend, it represents almost 25 percent of VISN 8 spend. A look at spend by location reveals that more than 70 percent of radiation equipment is bought in Tampa, an insight that enables sales teams to pinpoint the right customers by facility.

OEMs can't rely on traditional analyses of Federal government spending and instead need to truly understand the comprehensive install base. A clear picture of this install base allows suppliers to target customers at the hospital level, allocate business development resources efficiently, and anticipate refresh cycles well ahead of contract requirements being released.

This same analytical approach has been implemented for hospital equipment, including exam tables,

patient beds, and other capital expenses, to define the install base and gain insight into what, when and how customers are buying. It also uncovers bulk purchases and where one VISN may be buying for other VISNs. Teams that are able to turn insights into a competitive advantage, from a complete view of the market down to a tactical sales plan of how a customer buys, are best positioned to capitalize on this complex and important market.

*About the Author:* Eric Gillespie is the founder and CEO of Govini, a business intelligence firm that provides proprietary market data and analytics to top government contractors. Prior to Govini, he held senior leadership positions at Onvia, a Nasdaq-listed firm that provides state and local government agency research, IBM, Scient, CSC and others. As an expert in the private sector's use of public sector data, he has testified before Congress about government transparency, data and public sector technology.

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