



# Increase medical device sales.

Learn how data analytics can boost revenue and  
better manage inventory

**Phocas.**  
Got data. Get results.

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# Introduction.

## The medical devices industry is one of the largest in healthcare

The global medical devices market in 2020 was valued at \$456.9 billion, which is an increase at a compounded annual growth rate (CAGR) of 4.4% since 2015. Despite an expected decline of -3.2% in 2020, it is expected to rebound in 2021 with a 6.1% CAGR and reach \$603.5 billion in 2023.

Major contributing factors include increasing healthcare expenditures, growing health awareness, wider chronic health problems, more treatment options, more informed customers, emerging technologies, and a growing and ageing population.

Medical devices can look forward to opportunities for growth in general medical devices, cardiovascular, surgical and infection control segments. [Deloitte](#) also suggests, “Digital tools and other technologies are helping consumers take more control of their health... Twenty years from now, we expect health care to be more consumer-centric... a world in which technology use accelerates, useful and actionable data flows easily, and the use of tools to maintain well-being will be widespread.”

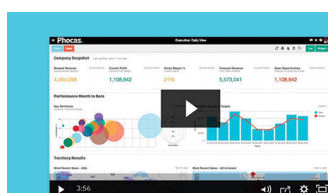


Wolters Kluwer report describes: Developments in wireless technology, smaller devices, and computing power are changing the landscape of the interconnectedness of devices. The data collected, analyzed, and shared from medical devices with healthcare organizations is allowing for better patient outcomes, lowering of costs, and presenting an additional revenue source. Properly integrating and disseminating patient information will only strengthen future growth of medical device.

As providers, payers, physicians and regulators move to a more data-driven approach to care, manufacturers and suppliers of medical devices, equipment and materials are facing intense competition, leading to changes in the way they operate. In addition to introducing new products and service, medical devices companies are beginning to use insights from data analysis to help shape business decisions leading to improvements in efficiencies, profit margins and expenditures.

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**In this eBook, we will review how analyzing your data can be done quickly and easily with industry leading data analytics (DA) software. We will discuss the benefits of adding data analytics to get more value from enterprise resource planning (ERP) systems, how a whole-of-business data analytics approach can help improve your overall sales and how data analytics helps suppliers and distributors manage stock levels.**



Phocas demo

**Click here to watch a demo of Phocas for medical.**

# Trust your data.

## Finding value in your data is the most cost-effective way to save time and increase revenue

Like most industries, medical device manufacturers and distributors produce masses of data every day but many still underestimate its importance or are unclear about how to access and use it to their advantage.

“...just 35 percent of executives surveyed said they had a high level of trust in their own organization’s use of data analytics... 67 percent of CEOs say they have ignored the insights provided by data analysis or computer-driven models in the last three years because the results contradicted their own intuition or experience.” (KPMG International’s Guardians of Trust report)

This can be attributed to a lack of awareness of how their data can be optimized to work for them. That said, in a recent [Bain](#) survey, 69% of “medical device executives ranked big data and analytics as the technology that will have the greatest impact on the industry over the next five years.” Advances in data analytics will result in innovations across a variety of areas in the industry, including connected medical devices, R&D focused on outcomes and remote care.

## Companies need more than an ERP

The ability to turn raw data into actionable intelligence is critical to understanding how to better serve customers and counter competitors.

There is an assumption that because a company invests heavily in an ERP system, it should be capable of generating adequate reports based on the data it collects.





An ERP system is indeed full of operational and transactional data, but according to [Gartner](#):

“ERPs tend to come at a significant price, and the business benefits are difficult to justify and understand.”

Where ERP systems fall short is in their inability to give people across the business easy access to real-time data and insights that commonly lead to business advancements based on both facts and experience.

While an ERP provides useful information across production, operations and finance, getting the information for others in sales, marketing and management often involves time, effort and complex spreadsheets that are prone to error, sit on peoples' hard drives and that only overburdened IT departments and data experts can access and manipulate.

Analyzing data through complex spreadsheets or asking IT to run reports can significantly impact a business's ability to make quick decisions based on up-to-the-minute information.

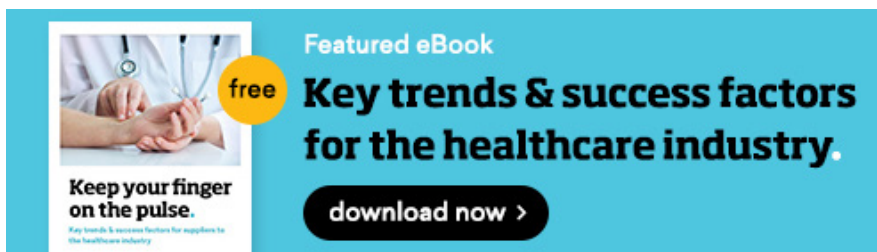
And while much of a company's data does sit in the ERP system, other systems such as customer relationship management ([CRM](#)) also contain vital information.

## Taking data analytics a major step forward

Companies in this sector are now turning to data analytics software that bolts onto ERP and other systems and presents the data in more visual and accessible formats. Some vendors, such as [Phocas](#), take data analytics a major step further, making it easy to follow your train of thought and drill into the underlying detail to find answers to your most pressing questions.

While 61% of CEOs in KPMG's annual CEO Outlook reported investing in data analytics will be their greatest priority during the next three years, [77 percent](#) of healthcare executives reported:

“their organizations are accelerating investments in big data analytics and artificial intelligence (AI), citing disruptive forces and industry competition as motivators for increased spending.”



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# The need for data analytics.

Data analytics relies on your company's data to help form a clear picture of how a business is performing.

When it's easy to use, people company-wide can explore the data to identify trends, discover opportunities and spot potential threats before they can have any real impact.

Reports are generated in a matter of minutes and give users a view of the business's performance in real-time.

## Use data analytics to increase sales by customer

The growth in the medical devices industry will come from wound care, general and plastic surgery, in vitro diagnostics, cardiology and diabetic care.

Access to data and a user-friendly solution to analyze it will help suppliers and distributors of medical devices harness this growth potential.

Tracking sales data by customer can reveal trends and opportunities to grow revenue and prevent challenges before they impact your bottom line.

Are your customers buying less sponges, swabs and gauze products despite a forecast in growth for surgical and infection control?

Perhaps this contrasts with their buying habits for diagnostic and ECG equipment, monitors and defibrillators, indicating a consistency with growing demand for cardiovascular care.

Armed with data analytics, your sales team will have a better understanding of what your customers are buying over time and what they are not.

You can build dashboards that make it easy for you to rely on your data for strategic and tactical decision-making. You can identify potential threats or opportunities and adjust your sales representatives' approach to customers accordingly.

Vinod Devarapalli, commercial administration manager for ICU Medical, uses Phocas dashboards every day.

## TESTIMONIAL

“The dashboards we have built in Phocas are used by everyone and help the business as a whole. Phocas has significantly helped me build reports.”



ICU Medical has improved its business with Phocas Software

What once took 4 to 6 days to complete, is now only a few clicks away. The dashboards help Devarapalli drill down to detailed levels and help the sales team to make decisions on the go rather than requiring a meeting with the finance team first.

[WATCH VIDEO](#)

“Phocas has significantly changed how we do business. Data is not just a one-person dependent role anymore. Now we have our data in Phocas on everyone’s laptops, iPhones, iPads, anywhere they go.”





# Identify sales opportunities within existing customer base.

As we all know, it's a lot less expensive to keep current customers than to acquire new ones.

In fact, the probability of selling to an existing customer is up to 14 times higher than selling to a new customer.

Understanding your existing customers' buying patterns can help identify where there is potential profit through effective cross-selling and upselling.

Cross-selling is when your sales team makes additional solutions available to the customer, while [upselling](#) is converting an initial offer into a more profitable one by the way of additional units, or a premium version. Both techniques are effective ways of increasing revenue within your existing customer base and can be optimized using data analytics – especially when the solution can be used on mobile devices before sales calls with speed, security and accuracy.



ConvaTec, a global medical products and technologies company, deployed Phocas in 2015, and the following year, the company's 30-plus sales team achieved record sales. The success was attributed to better visibility of their data and the ability to use data to support pricing decisions.

Price plays a huge part in keeping hospitals onside, so that's where Phocas has helped ConvaTec the most. Nicola Harris, financial planner and analyst at ConvaTec, noted, "We use Phocas to go over every price point in every tender."

Armed with the price history in Phocas, Harris knows what hospitals paid for particular products in previous years and the purchasing power of the hospital compared to other customers. The information helps determine a reasonable price for each product in the tender.

Harris says, "We have to be extremely diligent with any decreases to the price point we offer because if volumes don't increase, our revenue takes a hit. For us, it is really trying to make sure we are price competitive, understanding how much the hospital buys, and how much we can afford to perhaps decrease our pricing to really stay on tenders with them. It's relying on Phocas to get the data and then using data to drive analysis into other price points."

## TESTIMONIAL



ConvaTec, uses Phocas Software to make data-driven actions and remain competitive

[WATCH VIDEO](#)



# Cross-selling and upselling in action.

To cross-sell effectively, think about the items in your product line that naturally pair well

To do this, let's look at another area of growth in the medical device industry: home healthcare.

Daily living aids for home healthcare such as wheelchairs, cushions, hoists, braces and other supports will generally be used in any number of combinations by a person of need.

Knowing what combinations of these products customers are buying – or not purchasing – can help manufacturers, suppliers and/or distributors, quickly identify opportunities.


Once the bundled products are identified, you can use a data analytics solution to analyze the sales performance of these products by customer. You might find that a hospital is buying a combination of over-toilet frames and shower chairs at a consistent rate, yet a particular allied health customer is buying fewer bath transfer benches over time, despite maintaining a consistent order of handheld shower hoses.

Now that the data is right in front of you, you can start asking questions. Is the allied health customer now sourcing bath transfer benches from another provider?

These are the customers you want to target with cross-selling activity. Perhaps you can offer discount incentives on products they should be bundling but are not.

While [cross selling](#) is offering relevant, complementary solutions, upselling is focused on offering more, or better versions to add value. A rehabilitation center that routinely buys your standard walker boot might be interested to know that you also offer a premium walker boot with better design and comfort.

Sales representatives who use data analytics can offer a better level of customer service, and form closer relationships, fostering more trust and loyalty because they can use data to have more specific and revealing conversations.



**Business intelligence in the Medical Sector:**  
How data can help your company be more productive and more profitable

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**BI in the medical sector:  
data reporting success factors.**

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# Build trust and customer loyalty.

Data analytics allows you to map and measure your customers, so you understand what they want.

Team Medical Supplies is Australia's number one online hospital and healthcare equipment supplies company.

It's no surprise that masks, sanitisers, paper towel and thermometers were in extremely high demand as the pandemic hit Australia but Team Medical Supplies main goal was to operate ethically and fairly in the face of COVID-19.

"Sadly, there are people who see dollar signs during these times. We've had unknown suppliers approaching us wanting to sell products that do not meet our quality standards. And unknown "customers" calling wanting to buy at higher prices in bulk quantities, said Tom Vriens, Manager at Team Medical Supplies.

“ At Team Medical we are casting-off all this noise and we are staying focused on supplying our loyal customers with as much stock as we can get them as they're on the frontline supporting the community with healthcare.”

“ We leverage sales data in Phocas and looking at customer buying history to assess what each customer normally buys from us and in what quantities. Our approach is to stay aligned with their typical purchasing trends and buying patterns. Data in Phocas is very helpful for managing this day by day.”

"It's very important we manage supply with an even-hand and prioritize. Of course, supermarkets and pharmacies want these products more than ever now too, but our priority is supplying the doctors. You have to have some tough conversations and stand firm on your long-term strategy because looking after your loyal customers and doing the right thing ethically pays off," said Tom Vriens.



# Better inventory management.

[Inventory and purchasing](#) managers are crucial to the success of any company if they are going to succeed at growing the business and/or increasing market share in an expanding medical device industry.

According to Gartner:

“Inventory is the most visible aspect of supply chain performance, both deceptively complex and difficult to master.”

A report by A.T. Kearney reported that medical device companies' performance in inventory, service levels, and other areas of supply chain management is weak compared with peers in other industries.

Data analytics can help by easily and quickly identifying stock turns, inventory-to-purchase ratio, slow-moving stock and gross margin return on investment (GMROI) by manufacturer, product group, product or location.

A data analytics solution lets you quickly view how much stock you have for a particular product and sort from highest to lowest or drill down on a specific selection to find even more in-depth information.

The medical device industry can be volatile with seasonal fluctuations and changing demand so the ability to forecast and monitor these fluctuations is vital to ensuring overstock (which reduces margins), deadstock (presents a loss to the business) and understock (impacting service levels) are minimized, or ideally, do not occur.

Midway Dental was created 34 years ago to supply independently owned dental practices with quality equipment and dental consumables. The company offers over 60,000 different products from high-end x-ray machines to essential safety glasses. Keeping track of the suppliers of all of these products is a major job, and Phocas has helped Midway improve relationships with these companies.

Dawn Metcalf is a partner and director of education with Midway, said, “Phocas is beneficial to [manage Midway's different suppliers](#). Our purchasing department can go into a category and find a product and then determine what share of the market they are giving to a supplier and negotiate with them accordingly. We can advise suppliers that sales have grown for them, but their total market share is smaller compared to other suppliers. The suppliers realize there is more potential with Midway and then they design a new program for us.”



# Identify overstock, understock and deadstock.

Overstock (quantities much larger than what is needed) can be determined by looking at historical [sales](#) data, and comparing these to current stock on hand.

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Phocas.

Stock Report

Mode ▾  
Custom

Properties ▾  
Code, Name

Measures ▾  
PO Cost

Activity Filter ▾  
Activity

Format ▾  
Actual

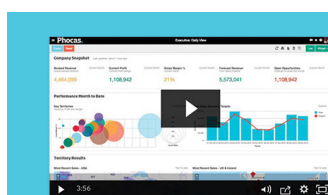
Period ▾  
None

<

*Easily identify overstock*

This is also an effective way of eliminating deadstock, which is stock that is no longer being sold and is just sitting in your warehouse, taking up valuable space.

Deadstock often results from poor purchasing decisions, which can be the case when inventory managers don't have the tools (i.e. a data analytics solution) in place to monitor their purchasing process.



Phocas demo

**Click here to watch a demo of Phocas for medical.**

In the image below, the column on the very right highlights that a company holds over \$695,000 worth of stock for products that led to no sales over the past 12 months.

Phocas. Stock Report						
Mode ▾ Custom	Properties ▾ Code, Name	Measures ▾ PO Cost	Activity Filter ▾ Activity	Format ▾ Actual	Period ▾ None	Search
Focus	Reset	Matrix	Product (22)			
Sales & Stock Summary	Code	Name	Stock on Hand Qty	Qty Sold Last 12 Months	Average Qty Sold per Month	Stock Value
	TOTAL		4,482.00	0.00	0.00	695,283.48
1	101947	35mm GU5.3 Blood Pressure Device	381.00	0.00	0.00	50,842.20
2	101944	4 20W Multiparameter Patient Monitor	375.00	0.00	0.00	50,041.62
3	108493	2M Portable Height Measuring Rod Stadiometer	15.00	0.00	0.00	48,224.70
4	112392	GHM Digital Flat Scale	372.00	0.00	0.00	47,934.64
5	101945	Bionic Widget 60	354.00	0.00	0.00	47,320.93
6	112393	97206-VSM Diagnostic Set	363.00	0.00	0.00	46,774.93
7	101973	BPS Wireless Blood Pressure Monitor	324.00	0.00	0.00	42,277.97
8	101951	PU Personal Ultrasound Therapy Device	297.00	0.00	0.00	36,442.26
9	101943	BKW Pelvic Floor Exerciser	261.00	0.00	0.00	34,887.71
10	111034	411V Manual Sphygmomanometer with Adult cuff	39.00	0.00	0.00	32,975.55
11	101946	Wrist Blood Pressure Monitor	207.00	0.00	0.00	27,666.95
12	112396	CPR Mask with O2 Inlet	180.00	0.00	0.00	26,492.34
13	112397	S55 Sphygmomanometer with Adult Cuff and Carry Case	180.00	0.00	0.00	26,492.30
14	101942	62 Mechanical Personal Scale	177.00	0.00	0.00	23,656.27
15	102300	Pocket CPR Mask with Hard Case	12.00	0.00	0.00	20,752.65
16	101986	30 Suction Pump	144.00	0.00	0.00	20,639.48
17	101955	Hand Held Examination Light	165.00	0.00	0.00	20,204.78
18	101957	KHM Diagnostic Set	162.00	0.00	0.00	19,888.82
19	101948	DL100 Pocket Dermatoscope	144.00	0.00	0.00	19,244.35
20	101988	PC Based Spirometer	132.00	0.00	0.00	18,931.35
21	101956	Digital Flat Scale	144.00	0.00	0.00	17,674.21
22	112285	CPR Mask with Hard Case	54.00	0.00	0.00	15,917.47

*Easily identify deadstock*

With data analytics easy-to-understand graphs and dashboards, combined with the ability to drill down to get the insights you want and need, you're able to use your company's data to quickly identify where you have too little stock (understock), compared to that stock's demand.

Phocas. Stock Report						
Mode ▾ Custom	Properties ▾ Code, Name	Measures ▾ PO Cost	Activity Filter ▾ Activity	Format ▾ Actual	Period ▾ None	Search
Focus	Reset	Matrix	Product (21)			
Sales & Stock Summary	Code	Name	Stock on Hand Qty	Qty Sold Last 12 Months	Average Qty Sold per Month	Stock Value
	TOTAL		0.00	3,576.00	298.00	0.00
1	101802	35mm GU5.3 Blood Pressure Device	0.00	900.00	75.00	0.00
2	112449	4 20W Multiparameter Patient Monitor	0.00	30.00	2.50	0.00
3	111809	2M Portable Height Measuring Rod Stadiometer	0.00	180.00	15.00	0.00
4	109112	GHM Digital Flat Scale	0.00	262.00	21.83	0.00
5	110704	Bionic Widget 60	0.00	28.00	2.33	0.00
6	106760	97206-VSM Diagnostic Set	0.00	1.00	0.08	0.00
7	111507	BPS Wireless Blood Pressure Monitor	0.00	78.00	6.50	0.00
8	104985	PU Personal Ultrasound Therapy Device	0.00	7.00	0.58	0.00
9	103195	BKW Pelvic Floor Exerciser	0.00	30.00	2.50	0.00
10	103912	411V Manual Sphygmomanometer with Adult cuff	0.00	34.00	2.83	0.00
11	104774	Wrist Blood Pressure Monitor	0.00	39.00	3.25	0.00
12	101237	CPR Mask with O2 Inlet	0.00	12.00	1.00	0.00
13	109015	S55 Sphygmomanometer with Adult Cuff and Carry Case	0.00	13.00	1.08	0.00
14	100434	62 Mechanical Personal Scale	0.00	760.00	63.33	0.00
15	106814	Pocket CPR Mask with Hard Case	0.00	12.00	1.00	0.00
16	104177	30 Suction Pump	0.00	3.00	0.25	0.00
17	103850	Hand Held Examination Light	0.00	103.00	8.58	0.00
18	110948	KHM Diagnostic Set	0.00	25.00	2.08	0.00
19	104941	DL100 Pocket Dermatoscope	0.00	240.00	20.00	0.00
20	108050	PC Based Spirometer	0.00	759.00	63.25	0.00
21	104939	Digital Flat Scale	0.00	60.00	5.00	0.00

*It is easy to visualize your understocked products in Phocas*

# Get in touch.

Learn how Phocas can help you achieve your business goals.

Give us a call:

**UK/Europe:** +44 1865 364 103

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**North America:** +1 877 387 4004

Or email us directly:

**Email:** [marketing@phocassoftware.com](mailto:marketing@phocassoftware.com)

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Got data. Get results.