



## Healthcare Solution Provider Enhances Analytics, Projects \$5 Million Revenue Gain

### Overview

**Country or Region:** United States

**Industry:** Professional services

### Customer Profile

MedAssets provides services and solutions to help healthcare organizations optimize their purchasing power. The MedAssets supply-chain segment includes capabilities acquired from The Broadlane Group.

### Business Situation

To enhance its supply-chain offering, MedAssets needed to give its sales staff and its customers an easier way to work with supply-chain data.

### Solution

The company developed an Internet-based solution that automates the analysis of supply-chain data.

### Benefits

- Increases revenue in first year of solution use by about U.S.\$5 million
- Enables avoidance of \$250,000 in yearly sales costs
- Provides investment payback in less than 24 months
- Enhances competitive position

“Considering that our fees are tied directly to customer savings, we project \$5 million of additional revenue in the first year that customers are using our Velocity solution.”

*Greg Ericson, Senior Vice President, Spend Management Technology Solutions, MedAssets*

MedAssets, a leading provider of integrated spend management and revenue cycle solutions for healthcare institutions, wanted to do more to help its customers make strategic decisions about their supply chains. In particular, the company wanted to transform the analysis of supply-chain-related data from a largely manual process to one that was fully automated. Working with Microsoft Gold Certified Partner Sogeti USA, the company developed a software-as-a-service solution based on Microsoft Silverlight browser technology. As a result of the automation provided by the solution and the associated cost savings for customers, MedAssets projects U.S.\$5 million in additional revenue. The firm also anticipates \$250,000 savings in sales-related costs for each of the next three years, a stronger competitive position, and reinforcement of its reputation as an industry thought leader.



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Steve Ciske, Vice President, Spend Management Business Intelligence Technology, MedAssets

## Situation

Since its founding in 1999, MedAssets has grown into one of the largest supply-chain services organizations in healthcare, and in 2010 the company managed some U.S.\$41 billion in supply-chain spending. With offerings that also include clinical and lean-process consulting, custom contract negotiation, and cash-flow improvement solutions, MedAssets helps healthcare providers reduce margins on everything from surgical devices and high-end imaging equipment to pharmaceuticals, food service, and office supplies. MedAssets employs roughly 3,000 people and is based in Alpharetta, Georgia.

As a company devoted to helping its customers realize financial improvement through effective spend management and revenue cycle management, MedAssets is continually seeking ways to deliver its services more efficiently and in a manner that its customers can use to their greatest advantage. For this reason, executives at MedAssets recently took a closer look at how the company was helping customers optimize their supply chains, and determined that there were opportunities for improvement.

Specifically, the executives identified inefficiencies in the process of analyzing customer spend data and other data related to the supply chain. Traditionally, an analyst (or sales representative) from MedAssets worked with a customer to extract data from spend files and then entered the data into Microsoft Excel spreadsheet software. Next, the analyst ran analytics on the data to isolate purchases by facility, category, manufacturer, and contract; demonstrate spending trends by product category; identify the causes of cost differences over time; and pinpoint variances between transaction prices and contracted prices. Finally, the analyst

presented the customer with results of the analytics and recommendations on how to apply those results most effectively.

According to Steve Ciske, Vice President, Spend Management Business Intelligence Technology at MedAssets, this was a labor-intensive process. “Because of the volume and complexity of the data, it easily took 20 to 30 hours of an analyst’s time to perform the analytics, and as long as 10 days to prepare a comprehensive report for the customer,” he says. “This approach made less-than-optimal use of our professional resources, lengthened the sales cycle, and delayed purchase decisions for our customers.”

## Solution

Ciske and his team wanted to automate the work performed by analysts and other internal sales staff, and provide customers with the option of performing analyses on their own. The team also wanted to deliver this automation through a solution that would be easy for the customer to install and would require no customer IT investment.

With these factors in mind, team members chose to develop and deploy a solution built on the software-as-a-service model. In this model the solution resides on a server running the Windows Server 2008 R2 operating system and Active Directory Lightweight Directory Services, located at MedAssets. For a rich user experience, the solution is accessed over the Internet within a web browser.

## Why Microsoft Silverlight

In selecting an application framework for the solution, Ciske and his team considered both Adobe Flex and Microsoft Silverlight browser technology. They decided on Silverlight, for several reasons. “For a number of years, our company had been

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Sam Martindale, Director, Spend Management Analytics Software Development, MedAssets

Velocity users can access high-powered analyses of complex data through a clear and simple dashboard presentation.

adopting more and more of the Microsoft product line because of the greater availability of supporting tools and talent, and the greater ease of implementation and maintenance,” Ciske says. “Between Adobe and Microsoft, we were more comfortable with the support that Microsoft offers. We also had more experience working with Microsoft .NET technologies than with technologies from other companies.”

Ciske’s colleague Sam Martindale, Director, Spend Management Analytics Software Development at MedAssets, elaborates. “We had convenient access to external Microsoft expertise as well, from a large regional community with knowledge of the Microsoft framework in general and Silverlight in particular,” he says. “We felt that we could apply our best practices more consistently in a Silverlight environment.”

#### Development Done in Half the Time

For development leadership and hands-on

work, MedAssets engaged Microsoft Gold Certified Partner Sogeti USA, a subsidiary of Cap Gemini S.A., a leading global provider of IT consulting and services. To create and deploy the first production release of the solution, known as Velocity, a team of 16 designers, developers, and support staff used Microsoft Silverlight 4 in conjunction with Microsoft .NET Framework 4, the Microsoft Visual Studio 2010 Ultimate development system, and other Microsoft products and technologies.

The team completed this work in less than five months, a pace that Martindale considers impressive. “Compared with past developments, the Velocity project proceeded very rapidly, especially during prototyping,” he says. “This was important because prototyping generated excitement among members of our sales staff and customers alike, and helped drive support among our board and executive staff.”

According to Justin Weinberg, Manager Consultant at Sogeti USA, two factors contributed to the ease of prototyping the new solution. One factor was the XAML-based development environment supported by Silverlight and Microsoft Expression Blend, which the team used for creating a powerful and sophisticated user interface. Another factor was the designer/developer workflow supported by Silverlight and Microsoft Visual Studio 2010, the team’s interoperating development environment. “It’s an ongoing challenge for designers and developers to work on the same code base without stepping on each others’ toes,” Weinberg explains. “In my experience, Silverlight and Visual Studio 2010 constitute the first platform that addresses this challenge successfully.”

Ciske agrees. “Compared with earlier development projects of similar scope, we



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Steve Ciske, Vice President, Spend Management Business Intelligence Technology, MedAssets

achieved results in just half the time, and that’s because of Silverlight,” he says. “Silverlight was fundamental to our success.”

Today, Velocity is used at MedAssets by 300 spend analysts, client managers, sales representatives, and other internal sales staff, and by individuals ranging from purchasing agents to chief executive officers at customer locations. With a few clicks of the mouse, these users can enter spend data into Velocity; run analytics involving product comparison, market-share utilization, price-discrepancy, variable cost changes, and other criteria; and generate reports showing results and recommendations on cost-saving opportunities in the supply chain.

### Benefits

MedAssets is realizing sizable benefits from the release of Velocity as a software-as-a-service offering. By making it easier for customers to optimize their supply chains and enjoy the savings that come with that, the company anticipates millions of dollars of additional revenue in the first year of deployment. At the same time, by automating the entry, aggregation, and analysis of customer supply-chain-related data, the company expects to avoid \$250,000 of sales-related costs per year for three years. As a result, the company will enjoy a payback period on Velocity of less than two years. MedAssets also expects to strengthen collaboration among its sales staff and customers, enhance customer trust, expand its competitive advantage, and solidify its reputation for thought leadership in the industry.

#### **Generates \$5 Million in New Revenue**

With Velocity, the company will help customers significantly boost their supply-chain savings, resulting in major new revenue for MedAssets, according to Greg

Ericson, Senior Vice President, Spend Management Technology Solutions at MedAssets. “Considering that our fees are tied directly to customer savings,” he says, “we project \$5 million of additional revenue in the first year that customers are using our Velocity solution.”

In addition to growing its top line, MedAssets will use Velocity to shrink the costs of generating that revenue. “With the help of Velocity, we can perform spend analyses significantly faster and thereby enjoy a cost avoidance of some \$250,000 per year for each of the next three years,” Ericson explains. “In combination, the higher revenues and lower costs will help us recoup our investment in Velocity in under two years.”

#### **Enhances Collaboration, Trust, and Competitiveness**

For his part, Ciske says that MedAssets also will enjoy qualitative gains from the deployment of Velocity. “Because analysts, sales staff, and the customers they serve can use Velocity in tandem, we can strengthen collaboration among them,” Ciske points out. “And because we are delivering the results of our spend analyses in 24 to 48 hours instead of 5 to 10 days, we can enable customers to make important purchase decisions that much sooner, enhancing their trust in us and our relationships with them.”

Furthermore, MedAssets can offer customers something unique. “When we approached this project, we saw an opportunity to leapfrog our competitors, and we were right to take advantage of it,” says Ciske. “With Velocity, we go far beyond the reporting that other businesses offer. We provide the most advanced analytics for customers seeking to optimize their supply chain and deliver the results in

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For more information about Sogeti USA, call (972) 892-3407 or visit the website at: [www.us.sogeti.com](http://www.us.sogeti.com)

For more information about MedAssets, call (866) 323-6332 or visit the website at: [www.medassets.com](http://www.medassets.com)

a user-friendly environment. This sets us apart from the competition.”

Patrick Ryan, President of the Spend & Clinical Management Segment at MedAssets, agrees. “There’s no competitive product available now that matches up against Velocity,” he says. “Coupled with our full suite of spend management solutions and our plans to further develop the tool, we expect this application to remain a long-term competitive differentiator.”

### Reinforces Industry Leadership

According to Ryan, by enhancing its relationships with customers and solidifying its advantage in the marketplace through Velocity, MedAssets is further establishing itself as an industry thought leader. “Customers know that we are focused on delivering the most cost-effective contracts for their financial success,” he says. “We intend to continue delivering analytics that help customers understand and optimize all aspects of the supply chain for significant long-term advantages.”

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- Microsoft Expression Blend 4
- Microsoft .NET Framework 4
- Microsoft Silverlight 4

### Partner

- Sogeti USA