



OPENMARKETS

Capital Equipment Purchasing Trends

for April, May and June

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Although 2017 is proving to be a year of change and uncertainty in healthcare, there is one constant: hospital equipment buyers want to balance quality of care with the economics of their purchase. With so many stakeholders and influencers involved, supply chain leaders resources to ensure they are making informed, intelligent, and optimized purchases.

OpenMarkets continues to explore patterns in purchasing trends so providers and suppliers can collaborate more efficiently and drive waste out of the healthcare equipment market. This article highlights 4 key purchasing trends in the months of April, May, and June.

4 Key Purchasing Trends

1. May and June are popular months for purchasing, and April is a popular month for budgetary quotes.

Providers in the OpenMarkets community budget just 18.6% of their yearly dollar spend to the spring months, and make 23.9% of their annual item purchases in this same quarter. Purchases in May account for 10.2% of annual dollars spent, but this month receives the smallest budget allocation for the year with just 2.2%.

June is another popular month for purchases with 10% of budget dollars allocated and 9.2% of dollars spent. Providers need to balance out their budget by allocating a small portion of April and June to the month of May. April is the month where we see a high volume of quote activity from providers to suppliers, but they aren't following through with purchase orders. Subsequently, the value of April purchases is the lowest of the year.

	April	May	June
Budget %	6.4	2.2	10.0
Spend %	4.6	10.2	9.2

2. Accelerating purchases 30+ days before the end of the April - June quarter can help deliver over 4% back to your organization

June is a high traffic month, with 46% more P.O. dollar volume than the yearly average. Accelerating these purchases to May can help increase purchasing power and deliver over 4% back on the same purchases. *For acceleration best practices, please contact us.*

Success Stories:

- A health system in Wisconsin just saved \$10k on an X-Ray purchase by planning ahead and issuing a PO before quarter-end.
- A hospital in Washington saved 3% on an ultrasound by accelerating their purchase to a month ahead of quarter-end.

Did you miss our Quarter 1 Purchasing Trends article? Visit openmarketshealth.com/resources to catch-up.

Does your organization have an endoscope purchase on the horizon? Buy in April.

3. Endoscopes purchased

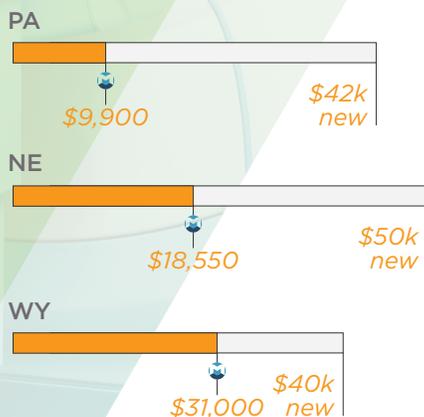
Endoscopes are the second most frequently purchased category amongst the OpenMarkets provider community. Data shows that suppliers offer the best discounts this quarter. April presents double the savings of the yearly average for endoscopes while the rest of the quarter is consistent with the yearly average. Be sure to act fast, as the months of July, August, and September offer little-to-no savings on endoscopes.

4. Buying refurbished can help you save money in categories that aren't discounted.

20% of requests from OpenMarkets hospitals are "Open to Used Assets". Transaction data has revealed significant savings in refurbished equipment for categories not typically discounted during the months of April-June, such as tables, stretchers, ventilators, lights, and monitors. Organizations open to demo and used assets save upwards of 52% off list price. In addition, demo and refurbished options boast similar warranties as their new counterparts.

Success Stories:

- A Pennsylvania hospital in the OpenMarkets network saved nearly \$9,000 by purchasing a refurbished ventilator.
- Another hospital in Nebraska just received an opportunity to save over \$30,000 for a refurbished surgical table.
- A Wyoming hospital found an opportunity to save over 22% on used monitors.



By understanding the latest trends in healthcare supply chain, providers and suppliers can cut through the noise and create mutually beneficial transactions. Visit openmarketshealth.com to learn how OpenMarkets is changing the way healthcare equipment is bought and sold.