



Case Study

A Quantitative Analysis of Third-party Provider vs. Bayer Service

Introduction

Healthcare systems make decisions about preferred service providers based on a number of variables. Chief among them, of course, is cost.

Cost of service, however, is not limited to an upfront investment in a service contract. Equipment downtime and the cascading inefficiencies that result can also increase the cost of service over the life of a device.

Therefore, the decision to choose a third-party service provider instead of investing in OEM service must take both short-and long-term cost implications into account.

Why should your organization choose Bayer over a third-party service provider? We address this question in the following case study, which compares devices maintained by a third-party service provider to devices maintained by Bayer Equipment Service.

Method

In 2017, Bayer reviewed data for a large healthcare system that was employing different service delivery strategies across its divisions. One division of the system (referred to here as Division 1) utilized a third-party service provider, while another division (referred to here as Division 2) retained Bayer Equipment Service as the service provider.

The data illustrates that over a nine-month period, although upfront costs for third-party service were often lower, subsequent workflow inefficiencies and increased maintenance needs, as were observed in Division 1, may result in higher costs overall for the healthcare system.

Results

Table 1. Summary of Service Data for Division 1 and Division 2

	Division 1	Division 2
Number of Bayer contrast injection systems	144	132
Number of replacement parts	553	97
Number of service calls	188	85
Average number of replacement parts per service call	2.9	1.1

Relative to Bayer-serviced devices, data shows that third-party serviced equipment needed:

- › Double the amount of emergency service calls in the same nine-month period. Almost 3x as many replacement parts required on average per service call
- › 470% more replacement parts overall

In addition to the need for more replacement parts to repair the devices in Division 1, the time spent servicing the equipment was longer on average for Division 1 than Division 2 (30 minutes per call). This had the potential to result in increased downtime, lower throughput, and increased costs to the health system.

Conclusion: Why Invest in Bayer Service

As the original equipment manufacturer (OEM), Bayer is uniquely positioned to deliver equipment service that is built on optimizing product uptime, maximizing value, and keeping Bayer devices performing at peak efficiency.

Although third-party service solutions may offer lower upfront costs, as demonstrated in this case, investing in Bayer Equipment Service can result in longer-term benefits, including reduced time and material expenses and minimized injector downtime.

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