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International Institute for Analytics (IIA) Research Study Confirms How Critical the Use of Analytics is to the Future of the Health Care and Life Sciences Industries

Tom Davenport reports finding at SAS Health Care and Life Sciences Executive Conference; IIA makes the Health Care and Life Sciences Research Council (HARC) a permanent research offering to its clients

CHESTNUT HILL, Mass., May 10 2011 – [The International Institute for Analytics \(IIA\)](#), a technology and market research organization focused exclusively on serving the business analytics industry, today released findings from its six-month Health Care and Life Sciences Analytics Research Council (HARC). This project provided a practitioner-sourced evaluation and review of the most promising applications of analytics in the health care and life sciences industries. IIA's founder, [Tom Davenport](#), will present results of its recently concluded HARC during his keynote at the 8th Annual SAS Health Care & Life Sciences Executive Conference (May 11-12, Cary, NC).

IIA also announced the launch of a permanent HARC service on July 1, 2011 as a subscription based service that uses an experience-based research approach to uncover the strategic value obtained by payers, providers, and pharmaceutical companies from using analytics.

According to Jack Phillips, CEO, IIA, "The changing environment in health care and life sciences brings new pressure on decision-making and places a greater premium on analytics. We believe the targeted application of analytics will fundamentally change how health care and life science organizations operate, how patient care is delivered and paid for."

Extensive Benefits of Analytics in Health Care and Life Sciences

Analytics in health care is an issue for several sectors of the health care industry involving patients, providers, payers and the health care technology industries.

- Biological and medical sciences can transform the health care industry and hold considerable potential to drive change and improve health outcomes. In industrialized economies, an analytics-driven transformation can aid health care providers in offering better and more cost-effective health care.
- Life sciences companies, which provide the drugs and medical devices that have changed health care over the past several decades, also employ analytics. On the R&D and clinical side a

reshaping of analytics yet to be mastered by any drug company is resulting from the advent of personalized medicine. On the commercial analytics side, there is new data – from marketing drugs direct to consumers, rather than through physicians – and new urgency to rein in costs by increasing marketing and sales effectiveness.

- Patients – the ultimate consumers of health care – are better informed because of analytics. They are equipped to decide which providers are most effective, whether the chosen treatment will work, and in some payment structures, whether they are getting the best price possible.

Phillips notes, “We have found that each of the health care sectors progressively adds analytical capability at varying rates. For true progress, analytics must be employed collaboratively across each sector – providers, payers, and pharmaceutical firms must share data and analyses on patients, protocols, and pricing with each other and with patients. Because of this evolution, IIA has established the HARC to track, evaluate, and analyze the adoption of analytics in the health care and life sciences industry and the benefits provided to the sectors.”

Health Care and Life Sciences Industry Benefits Greatly from Analytics

Analytics can use historical data to model future trends, to evaluate decisions, and to measure performance in order to improve business processes and outcomes. Analytical-based tools that can change health care include data, statistical methods and analyses, and rigorous, quantitative approaches to decision making about patients and their care. These analytical tools are at the heart of ‘evidence-based medicine.’

The initial 6-month HARC study, launched in November 2010, brought together approximately 50 individuals from the largest health care and life sciences organizations for a peer-sourced review of health care and life sciences analytics. The HARC was led by [Tom Davenport](#), IIA research/faculty leader and author of *Competing on Analytics*, and Professor Marcia Test of the Harvard School of Public Health. Key findings of analytics to provider and payer organizations include:

- Plenty of basic data work still lies ahead, but proliferation of Electronic Medical Records (EMRs) will lead to rapid growth in descriptive analytics
- Many unexplored opportunities for predictive analysis
- Significant threat to business from organizations with more refined analytical capabilities
- Transaction-focused culture in payers inhibits analytical orientation
- Clear financial impact of analytics is not yet apparent among most payers
- Easier to establish strong analytical capabilities in a separate organization
- Experimentation with predictive analytics for disease management and hospitalization is growing

HARC Deliverables

While many health care enterprises use analytics to compete, not all have mastered capturing every analytical advantage possible for competitive advantage. IIA’s HLSARC is designed for leaders or members of business intelligence and IT groups in providers, payers, and life sciences organizations; clinical decision support personnel in provider organizations; and informatics personnel in payer organizations. The research approach helps members uncover “what’s working” in analytics in their industry.

Participating organizations receive the Health Care Analytics Benchmarking Scorecard customized to each participating health care enterprise; the quarterly *HLSARC Insights Report* – a published summary and

significant conclusions gleaned from all proceedings, research documents and case studies; and experience-tested ideas customized to members’ unique analytical challenges.

During the 12-month membership, IIA will moderate a private discussion board open only to HARC members. Output from the discussion board is extracted for use in the *HLSARC Insights Report* – a published summary of all proceedings, audio and online discussions, during the council with significant conclusions from those discussions. Additionally, IIA maintains a private, confidential website to assist with document distribution, scheduling, agenda distribution, and other administrative tasks. Research topics by health care category include:

Providers	Payers	Pharmaceuticals & Life Sciences
Supply chain analytics	Actuarial to trusted health advocate	Discovery – analytics-driven results
Patient safety analytics	Population management	Analytics in manufacturing
Financial visibility using analytics	Disease/condition management	Analytics in sales and marketing
Clinical analytics	Evidence-based medicine	
Non-clinical analytics	How to increase adoption of analytics	
Role of analytics in meaningful use		

General health care analytics topics will include:

- Opportunities for analytical collaboration across providers, payers, and life sciences firms
- Public (government) vs. private health care analytics
- Specific examples of how health care organizations are competing on analytics today
- The analytics of personalize medicine – the impact of the bioscience revolution
- Analytics and healthcare consumerism
- Embedding health care analytics into daily medical practices
- “Meaningful use” and the role of analytics: complying with regulatory imperatives
- Whose analytics matter in health care practice and payments?
- Analytics, privacy and security in health care
- Social media analytics in health care
- Which analytics software is working best among health care organizations, by category?
- Centralized vs. decentralize analytics efforts? Analytics center of excellence?
- Supply chain analytics: optimization of staffing with regard to cost, patient patterns and locations
- Integrated forecasting: the use of statistical forecasting to support multiple functions
- Customer-driven marketing: use of customer data to segment, target and personalize offerings
- Public access databases and analytics

To receive information about HLSARC membership, please direct an email to Linda Gilbert at lgilbert@iianalytics.com. For media interested in receiving a summary of the project’s key findings, contact Lauren Curley at lcurley@iianalytics.com.



About IIA

The International Institute for Analytics (IIA) was created to bring a common organizing language and ‘experienced-based’ research to the growing business analytics industry. Research is organized by vertical industry, organizational role, and analytics competencies. IIA’s mission is to meet the research and decision-support needs of business and analytics leaders and their teams as the focus on analytics as a competitive differentiator increases.

IIA’s offerings include annual research subscriptions for individuals and enterprises, faculty-moderated analytics research councils, executive roundtables and phone conversations, and advisory services for both analytics teams and vendor companies. To drive the organization’s insights, curriculum, and dialogues, IIA serves its clients through a unique ‘experience-based’ research methodology that uses a combination of world-class faculty and a closed community of end-users.

SAS, Accenture, Intel, Teradata & SAP have jointly supported IIA's initial operations, and help IIA set its original research agenda and focus. For more information about IIA visit <http://iianalytics.com/>.

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