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5 STEP GUIDE

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FUTURE-PROOF YOUR COMMERCIAL ANALYTICS

> We now have access to more data than we've ever had before. Using it to answer key business questions is critical to success.
>
> Analytics Leader, Global Top 10 Pharma

The journey from being a patient-centric organization to a patient preferred organization is significant. Robust commercial data management, deeper insights, contemporary operations, and real-time decision making are necessary to drive this transformation.

The life sciences landscape is continually evolving. Access to physicians and prescriber autonomy are decreasing and new stakeholders are emerging. Smaller healthcare providers are consolidating with hospitals, medical groups, IDN's and large health systems. These larger organizations are able to exert more control through guidelines, protocols, and incentives.

The industry is moving towards specialty products with smaller targeted customer segments. An associated trend is the shift towards value based pricing, patient-outcome based contracts and the need for highly personalized offerings for effective market access.

Data and technology are also transforming traditional care practices by changing the way patients and health organizations interact. About 33% of consumers are interested in using DIY diagnostic apps for identifying health symptoms, of which 35% are interested in a virtual assistant for the diagnosis and next steps[1]. Leaders will move beyond the pill and offer a complete continuum of services to maximize patient well-being and deliver greater value.

The mass adoption of patient-level data, advanced analytics, and cloud-based technology provides a very granular view of patients, their treatments and their journeys. The opportunity to track, measure and ultimately improve patient outcomes has become a reality.

Despite such opportunity, the industry is not taking advantage of the insight available. In a recent data and analytics survey[2], only 42% of organizations in the health industry reported their decision making to be highly data driven. And even in highly data driven organizations, only 50% of decision making utilizes predictive and prescriptive analytics to model the future.

Over the past decade we have worked with over 100 companies in the life sciences commercial operations and insights space with the majority of interactions at the VP and director level. Based on these engagements and our learnings we have created this strategic 5 step guide for senior executives on how to optimize insight generation and fuel innovation.

Step 1: Rapidly onboard new data sources

Step 2: Encourage continuous experimentation

Step 3: Deploy a flexible and scalable operating model

Step 4: Foster a culture of healthy competition

Step 5: Integrate next generation platforms

1. Deloitte - Inside the patient journey: Three key touch points for consumer engagement strategies
2. PWC - Big Decisions™ Survey

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STEP 1:

RAPIDLY ONBOARD NEW DATA SOURCES AND EXPLOIT THE INSIGHTS

> Just as our customers are now demanding outcomes, Pharma too should demand the same from our analytics partners and the insights generated.
>
> Commercial Ops VP, Global Top 10 Pharma

Future-proofing your commercial organization requires the ability to rapidly integrate new data sources, leverage insights, and operationalize them faster than the competition.

The Life Sciences industry is no stranger to data. There is now a wealth of data sources available across digital channels, social media, electronic medical records, patient level, specialty pharmacy and managed care.

Access to this data has never been an issue. Navigating the ever-growing volume and variety of these structured and unstructured data sources is where the challenge lies. It is critical to modernize your data warehouse by leveraging the power of big data, cloud, and AI/ML-powered advanced analytics. Leading organizations are those that are able to on-board, integrate, analyze and ultimately understand the data sets. This is where experienced minds and powerful tools are needed to turn raw data into actionable insights and operationalize them to generate measurable outcomes.

There is not a one-size-fits-all approach here. Each therapeutic area has its own unique characteristics and constraints, and the data landscape can vary considerably. All of this has significant implications on the analytical models used and approaches taken to gain insight.

Maintaining experience and understanding of the latest data sets by therapeutic area is critical to success. The commercial organization must feel confident in the insights generated before using them to inform strategic decisions.

The limited ability to model real world complexities is a common challenge we see across the industry. Even with an understanding of the data sources established, any insight generated will have limited impact if it does not consider the market dynamics.

The rapid adoption of multi-channel engagement is a great example of this. While the multi-channel and multi-stakeholder environment is a reality, the majority of analytical models are still designed to work with a single channel in isolation. This leaves the models flawed and lacking the complete picture. In today's market, it is critical to account for cross-channel and cross-stakeholder linkages and the impact one interaction has on the next.

Likewise, with the changing landscape, segmentation and targeting must incorporate dimensions related to IDN control, formulary status, physician access, channel preferences and regional differences.

Real world complexities require the ability to leverage new data sources and apply innovative analytical techniques to gain insight that truly supports successful decision making and leads to desired outcomes.

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STEP 2:

ENCOURAGE CONTINUOUS EXPERIMENTATION

> Corporate formalities and constraints can hinder innovation. We promote open experimentation and see failure as a genuine learning opportunity.
>
> Director of Commercial Analytics & Insight Services, Top Global Pharma

Organizations with the willingness and ability to constantly test new ideas, analyze the results and implement changes in a timely fashion will maintain a competitive edge.

Given the pace at which the healthcare ecosystem is changing, we recommend establishing a continuous experimentation culture supported by people, process and technology. This innovation lab should consist of dedicated and seasoned data scientists tasked with leveraging their cross-client, cross-geography and cross-industry experience to deliver innovation.

For this approach to be successful we recommend a number of prerequisites:

- An organization's corporate culture needs to appreciate the evolving marketplace and that adaptation is necessary for long-term success.
- Not every experiment will be successful. Leadership must understand the risks involved and implement safeguards.
- Learnings from unsuccessful experiments/pilots are critically important and need to be catalogued and analyzed.
- A successful experiment does not necessarily mean the process is complete. The marketplace will continue to evolve and so too should the analysis.

A culture of continuous experimentation creates an atmosphere where people are able to raise new ideas, assess risks, and think outside of the box. Experimentation and experimental learning needs to become part of the scorecard for senior leadership.

The formation of diverse, cross functional working groups can act as a conduit to review marketplace changes on a regular basis.

Expanding outside their internal organization, successful Pharma companies are soliciting assistance from others in the ideation process. Pharma has the opportunity to review a diverse set of ideas, often involving best practices and approaches from other industries, and include one or more in their experiments.

Systems need to be in place to enable rapid scalability for pilots that are successful and ready for rollout. Experiments involving the commercial operations function often have significant upstream and downstream implications. The inter-relationships and dependencies across systems need to be factored into experiments.

A transformation of this nature is not necessarily easy to implement. A number of barriers may need to be addressed as life sciences organizations look to experiment and transform their commercial models. Corporate cultures, infrastructure, and established processes need to be reviewed, evaluated, and often modified.

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STEP 3:

DEPLOY A FLEXIBLE AND SCALABLE OPERATING MODEL

> We do struggle with talent. Not just in terms of headcount, but getting the right skills and experience engaged when you need them.
>
> Head of Commercial Analytics, Top Global Pharma

Big data and advanced analytics initiatives require a mix of the right talent, at the right time with the right culture and focus.

With the volume of global data continuing to double every 12-15 months, the demand for advanced analytical talent will continue to outstrip supply. Moreover, the life sciences industry must compete for scarce talent with other hot technology and big data management companies.

Organizations implementing data management solutions will require the expertise of a range of talent. The composition of a team needs to be carefully designed in order to bring the right mix of domain knowledge, technical and functional expertise, analytical depth and data familiarity.

Today's life sciences industry calls for nimble and agile organizations that can quickly adapt their commercial models ahead of competitors. There are tremendous advantages for companies that can react as the market shifts. Besides ensuring the right mix of talent, it is important to provide insights and incorporate changes at the speed of modern business. The operating model should be designed to address variations in business needs and workload.

We recommend leveraging a core-flex model to get the required flexibility to ramp-up in a short period of time.

- The core team is comprised of steady state resources that are dedicated to ongoing analytical engagements and provide a pool that has deep understanding of the business and process workflows.
- The flex team is comprised of flexible resources that can be on-boarded based on project requirements. This is a pool of resources trained in industry processes and advanced analytical techniques. They can be pulled in on-demand and trained by the core team on the specifics of the relevant project or work stream.

The core-flex model requires an ecosystem for effective talent management. We therefore recommend investment in hiring, onboarding, motivating, developing and retaining talent. This calls for a focus on documentation, effective training, mentoring and cross pollination of best practices. Training programs need to cut across multiple dimensions including technical, behavioral, functional and business domain.

We believe the key is to build Centers of Excellence (CoEs) capabilities and platforms, which leverage people, process and technology on a global basis to nurture essential capabilities across sales operations marketing effectiveness, forecasting, social listening, real world evidence, health economics and outcomes research.

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STEP 4:

FOSTER A CULTURE OF HEALTHY COMPETITION

> We make no secret of the fact that we have multiple vendors and encourage competition. It keeps everyone sharp and at the top of their game.
>
> Director of Commercial Analytics & Insight Services, Top Global Pharma

Monopoly is the enemy of innovation. In order to balance innovation and cost effectiveness, it is important to work with a range of best-of-breed partners, foster healthy competition and invest in an effective Program Management Office.

Following our engagement across many commercial operations projects, we have seen that innovation does not thrive in a monopoly. Healthy competition creates a breeding ground for new ideas and progressive thinking. In order to control cost and complexity as well as improve innovation and agility, we recommend an ecosystem that engages with multiple vendors.

It is important to leverage best-of-breed players in each of the functional domains, whilst keeping the short-list tight to encourage competitiveness. This also reduces the risk of putting all of your eggs in one basket. At the same time, however, you do not want too many players within a functional domain. We therefore recommend:

- Stick to 1 or 2 best-of-the-breed players within each functional domain
- Identify an overall strategic partner to program manage the engagement across all players

The strategic partner should take the responsibility of establishing a Program Management Office (PMO) to oversee and coordinate across players, processes and work streams.

PMOs are necessary for any large scale initiative to succeed. Analytics work-streams often intertwine with each other and their output are consumed by multiple stakeholders. A PMO is often the only body in the organization that has visibility to these multiple stakeholders and analytics work streams. They are required to ensure complete transparency across the work streams and management of the end-to-end process. They need to keep a close eye on the progress of each work stream and ensure tight hand-offs across the teams.

Traditionally, PMOs have been involved in all aspects of program management, from project to expectation management, demand forecasting to capacity planning, customer satisfaction management to governance and risk management. While these tasks are critical to ongoing success, we believe a PMO can truly change the game by driving and managing innovation across the organization:

- Challenge the status quo and uncover innovation opportunities
- Bring industry leading practices to current processes and cross pollinate best practices
- Connect the dots across the organization to enable delivery of innovation with the greatest impact

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STEP 5:

INTEGRATE NEXT-GENERATION PLATFORMS INTO THE PROCESS

> There is no point uncovering great insight if you can't do anything with it. Making insightful decisions and taking decisive action is key to success.
>
> Commercial Operations Leader, Global Top 5 Pharma

The days of complex projects are over. The fast changing market demands rapid turnaround cycles, operationalizing commercial decisions as quickly as possible.

The market landscape is changing at a phenomenal pace. By the time you have gathered requirements, designed, built, validated and rolled out – the market has moved on. Iteration is key to beating complexity and so too are agile platforms that allow you to put your insight into action.

For example, sales teams are still one of the most significant investments for the commercial organization, and using insight to optimize territories, call plans and incentives is critical to success.

In a global environment, analytical engagements usually serve multiple business units, geographies and markets. This often involves a huge variation in data availability, language and business process. We therefore recommend leveraging a next-generation cloud-based platforms to drive operational processes, measures and outcomes across geographies, while also allowing for localizations to be factored in.

The integrated cloud-based platforms should cover all aspects of commercial planning and operations. It should be industry specific to support rapid time to value, with embedded advanced analytics to deliver and operationalize relevant insights at the point of decision.

The platform advanced AI/ML-driven analytics solutions and intelligent visualization frameworks with a move towards next-generation BI toolkits, for example – the journey from SAS to R to KNIME.

Such a platform helps to future-proof commercial analytics by supporting:

- Rapid ingestion, storage and seamless integration of data from a variety of sources
- Interactive exploration of patterns in your data
- Ability to continually configure and reconfigure models
- Industrialize analytics with self-serve models and easy to use drag-and-drop modules
- Proactive and real-time next-best-action recommendations
- Integration into commercial processes to operationalize

A modern cloud platform is key to putting insight into the commercial decision making process and executing on your strategy.

Conclusion

90% of world's data has been created in the last two years alone - data is the new opportunity. However, to truly take advantage, life sciences companies need to integrate analytics into their organizational fabric and drive insights operationalization at scale. The frameworks put in place today need to be designed for tomorrow, leveraging new data sources, creative talent, strong governance and flexible cloud technology.

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This 5 Step Guide is a part of AIM (Axtria Intel Monitor), which is an engaging series of thought leadership that showcases Axtria's intelligence on therapy areas, industries and topics relevant to the life sciences.

Over the past decade, we have worked with over 100 clients in the life sciences industry and interacted with their analytics, commercial operations, and commercial IT leaders. Based on these engagements and our learnings, we have created a series of strategic 5 step guides on how to drive commercial excellence.

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Founded in 2010, Axtria is a global provider of cloud software and data analytics to the life sciences industry. We combine industry knowledge, business process, and technology to help our clients make better data-driven decisions.

Axtria's cloud-based platforms, Axtria DataMAx™, Axtria InsightsMAx™, Axtria SalesIQ™, and Axtria CustomerIQ™ enable customers to efficiently manage data, leverage data science to deliver insights for sales and marketing planning, and manage end-to-end commercial operations. We help customers in the complete journey from Data to Insights to Operations.