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Axtria Intel Monitor

5 STEP GUIDE

TECHNOLOGY PROOFING YOUR COMMERCIAL OPERATIONS

The pharmaceutical industry is undergoing a significant transformation - shifting away from the product centric focus on blockbuster drugs to a more value-driven approach based, increasingly, on specialty medicines and patient outcomes.

Competing in this environment requires a fresh approach that goes beyond traditional sales and marketing practices. The mindset must shift from widespread brand targeting to one that is highly specific and seeks to provide measurable value to payers, providers and patients.

To drive commercial success, companies need to swiftly adapt to real-world complexities such as new customers, roles, outcomes, and datasets. They need real-time insights to be able to make business decisions with confidence and demonstrate measurable outcomes from their investments. The role of data, technology, and reliance on IT as a partner, has never been more significant.

What are you doing to technology-proof your commercial operations?

Many organizations still rely heavily on spreadsheets. Given that almost 90% of spreadsheets contain errors, is this really the best way to plan the operations that consume 20 to 25 per cent of a company's revenues?[1]

The cloud should be at the core of your commercial IT strategy.

There is a need to replace legacy processes and error-prone spreadsheets with modern, innovative and enterprise-grade capabilities that scale with the demands of your business. Technology should be an enabler, not a bottleneck, to commercial success.

The true power of commercial planning and operations is realized when you have all of your key processes aligned and integrated. A complete cloud-based platform avoids unnecessary integration overheads and reduces the chances of inconsistencies and errors.

Take control and demand transparency.

Companies have traditionally relied on 3rd party consultancies that operate commercial operations like a black box. This can be very restrictive to business agility when simple updates require expensive and unreliable change request processes. Cloud applications open up many opportunities for self-service, transparency, governance and efficiency.

We've walked in your shoes. We know things don't always go as planned. It's important to remain dynamic and plan for the unexpected. Whether it be the ever-changing healthcare landscape, emerging competitors, M&A activity, new data sources or evolving technologies - you always need to be thinking about tomorrow. It's important to build an ecosystem of partners who can support you on this journey.

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 technology-proof your commercial operations.

Step 1: Move To The Cloud

Step 2: Power Decisions With Insights

Step 3: Always Think End To End

Step 4: Take Control And Demand Transparency

Step 5: Plan For The Unexpected

Sources: 1. PwC - Optimizing Commercial Operations In Pharma

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TECHNOLOGY PROOFING YOUR COMMERCIAL OPERATIONS

> " We would spend a significant amount of time maintaining multiple planning spreadsheets that we had very little confidence in.
>
> Sales Operations Director, US Top 5 Pharma "

The cloud has changed the industry - driving agility, flexibility and modern innovations such as mobile, social and digital. You have moved your CRM to the cloud, but what about your sales operations platforms? Many organizations still rely on spreadsheets and legacy technology.

Over-reliance on spreadsheets is a real barrier to future-proofing commercial operations.

As discussed earlier, spreadsheets are highly prone to error. With limited guardrails in place, there is little validation to ensure data consistency and accuracy.

Version control is completely manual, and the document presents a single point of failure. We have all had situations where these files have been accidentally deleted, overwritten or corrupt.

This puts unnecessary pressure on commercial teams, impacts productivity and often result in sub-optimal decision making.

At the core of a successful commercial operations strategy is a single version of truth. Establishing this master record is key to all planning and operations activity, supporting such capabilities as Territory Alignment, Roster Management, Call Planning and Incentive Compensation. All of these capabilities are interlinked and rely on consistency. Spreadsheets prevent this by creating multiple versions of the truth and misalignment across the business. When your strategy is itself flawed, will execution be successful? Our experience says no.

We recommend a cloud-first strategy for technology-proofing your commercial operations. And an end to spreadsheets.

The cloud gets everyone on the same platform, establishes a single version of truth and removes the points of failure. Unlike spreadsheets, it won't become a bottleneck as processes mature and the scope expands. The cloud is elastic and will scale to meet the demands of your business.

Axtria's SalesIQ™ is a cloud-based commercial planning and operations platform. Embracing all of the cloud advantages, it provides an integrated suite of capabilities across Territory Alignment, Roster Management, Call Planning and Incentive Compensation. Built on Force.com and pre-integrated with Veeva, it supports a seamless flow from planning to execution and significantly reduces planning cycles.

POWER DECISIONS WITH DATA

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TECHNOLOGY PROOFING YOUR COMMERCIAL OPERATIONS

> " We went from decisions based on gut-feel to decisions based on data insight. Our confidence increased at every step.
>
> Commercial Ops VP, Global Top 10 Pharma "

Many commercial managers make decisions based largely on what they have done historically. Strategic decisions are often based on gut-feel and intuition. While lightning may strike in the same place twice, relying on this to happen can be a serious risk.

In today's world, the rate of change is accelerating. Your strengths, weaknesses, opportunities and threats from last year will be very different to the ones you face this year. Repeating the same formula is not optimal for success and will not drive commercial excellence.

We recommend a culture where every decision taken is based on data-driven insights. In fact, we don't believe commercial organizations can remain competitive without making this core to their strategy.

Data sources are exploding across the industry. There is data available on just about every aspect of your customer and their journey, from electronic medical records to insurance claims, social media to IoT, specialty pharmacy to traditional sales data.

In order to technology-proof your commercial operations, you need to take advantage of this data opportunity and embed insight into all of your strategic functions. From Territory Alignment to Roster Management, Call Planning to Incentive Compensation - all of these functions will be significantly enriched with data-driven insights.

As the industry shifts from volume to value, this has become more important than ever. The products coming through the Pharma pipeline are increasingly specialty products, which are focused on smaller patient populations and specialists. The need for laser sharp accuracy and a true understanding of the customer will be key to go-to-marketing success.

Axtria's SalesIQ™ embeds data-driven decision making into every aspect of commercial planning and operations. Smart Decision Support ensures than any decision taken across Territory Alignment, Roster Management, Call Planning and Incentive Compensation is evaluated against the alternatives and the full impact is understood.

For example, when a territory alignment change is proposed by a user, SalesIQ evaluates the decision against a range of criteria including alignment index, projected sales, call activity and estimate attainment. Rich visualizations display the before and after, and only when the impact is understood can the change be sent up the approval chain.

Another example is in multichannel call planning feedback when a sales rep is proposing changes to their call frequencies, messaging and channels. Guardrails ensure that all changes are accurate and validated, and rich visualizations display the real time impact of proposed changes to brand target and call volume objectives.

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TECHNOLOGY PROOFING YOUR COMMERCIAL OPERATIONS

> " Agility and flexibility comes from having everything together on one common platform - fully integrated from planning through to execution
>
> Commercial Ops VP, Global Top 10 Pharma "

In our experience, commercial excellence is never achieved through optimizing one single process in isolation. In fact, a siloed approach to commercial planning and operations will result in many of the same issues that arise from the overuse of spreadsheets.

While we do recommend introducing capabilities in a modular fashion, prioritized by business demand, the cloud gives you the opportunity to deliver a common platform with the end state being a complete and integrated solution.

There are many interdependencies between Territory Alignment, Roster Management, Call Planning, Incentive Compensation and Field Reporting. A change in one area can have a significant impact on another. If these capabilities are not integrated end-to-end and driven off a common master, there will be misalignment and sub-optimal decisions made across the business.

For example, consider the impact that territory coverage has on incentive compensation payouts. This is especially important in Pharma where much of the compensation calculation is based on 3rd party data. If the compensation processes are not aware of changes to coverage that took place half way through a cycle, there is no chance of an accurate payout. Not without a disgruntled sales rep, lots of shadow accounting, disputes and a serious impact on productivity. The alternate, overpayment, is not generally preferred either.

It is also important to consider the wider organizational impact when thinking end-to-end. Commercial planning and operations processes touch many business functions outside the sales domain, which require alignment with systems including CRM, HR and Finance. Integrating key processes into the wider ecosystem is essential to removing manual bottlenecks and operating with agility.

Take the impact of call planning on CRM execution, roster management on HR on-boarding and compensation plans on financial payments. They all require tight alignment within the enterprise for accurate and timely processing.

We recommend leveraging a commercial planning and operations platform that covers the required capabilities end-to-end.

The platform should cover Territory Alignment, Roster Management, Call Planning, Incentive Compensation and Field Reporting. It should leverage modern cloud technology to scale as your business demands, with pre-built connectors to enterprise touch points including CRM, HR and Finance, to enable end-to-end commercial excellence.
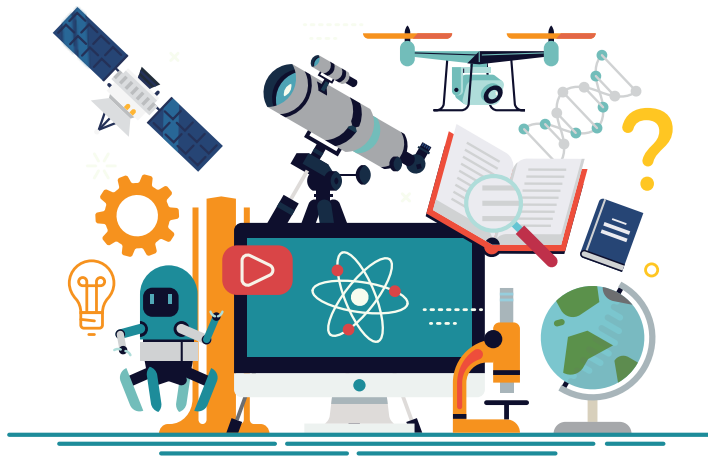
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TAKE CONTROL & DEMAND TRANSPARENCY

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TECHNOLOGY PROOFING YOUR COMMERCIAL OPERATIONS

> " Our own commercial operations processes were guarded like a black box and every update required a change request. We needed to take control back.
>
> Commercial Ops VP, Global Top 10 Pharma "

It is impossible to technology-proof commercial operations that are out of your control. Managed services are a reality – however, black boxes are impediments to success. This has to change.

As the healthcare landscape becomes more competitive, the ability to react with agility and flexibility is key to success. The days of long planning cycles and over-complicating the decision process are over. Action needs to be taken at the speed of the business and should not be bottlenecked by red tape, unnecessary change requests or massive time zone differences.

We have come across real situations in the industry where Pharma companies are not able to answer their own compensation disputes and inquiries without going through a 3rd party process. They have a disgruntled sales force demanding explanations right away, and have to log a ticket to get an answer. This is unnecessarily expensive, wastes time and impacts motivation in the field. It's a bad deal for everyone except the 3rd party consultancies.

Cloud applications open up opportunities for greater transparency with self service capabilities across the commercial planning and operations processes.

Pharma should be in control with:

- Territory Alignment capabilities that establish a master and maintain optimal coverage with visual map-based UIs.
- Roster Management capabilities that maintain rep-to-territory mappings and handle ad-hoc scenarios.
- Call Planning capabilities that generate optimal call plans and collaborate with the field on their feedback.
- Incentive Compensation capabilities to design and manage motivating plans, and respond to disputes and inquiries.
- Field Reporting to ensure trust and transparency across all areas of sales performance with attractive, role specific insights.

It is only by taking control of these capabilities on a modern cloud platform, that Pharma can truly technology-proof it's commercial operations.

Alongside the technology, it is also critical for IT to develop its own functional and domain expertise, to improve communication with the business and play a true partnership role.

Commercial operations needs to move beyond technical customizations, held together by black-boxed managed services, and demand modern cloud applications that put more control in their hands.

TECHNOLOGY PROOFING YOUR COMMERCIAL OPERATIONS

> " We encountered some pretty challenging issues, but having a partner that had been there before was key to working through them
>
> Commercial Ops VP, Global Top 10 Pharma "

The one constant in the pharmaceutical industry is change. Fierce competition, government regulations and M&A activity have created a dynamic environment that is continually evolving. You need to plan for the unexpected.

To successfully technology-proof your commercial organization you need to leverage a platform that meets your business requirements today, from a vendor who knows where the industry is going tomorrow.

The cloud makes it possible to consume innovation at a rapid pace, allowing you to quickly take advantage of new functionality and react to future business demands. Going forward, there will be new channels, new technologies and new ways of going to market. You need to be ready.

generate actionable insights from new data sources is a key competitive differentiator. Your commercial operations platform should have the flexibility to adapt to the wide range of structured and unstructured data sources and never be the bottleneck to future insight.

The truth is, you will not be able to cover every base and things will come up that catch you by surprise. This is why it is so critical to standardize on modern cloud technologies from a partner with real domain experience.

It is experience and flexibility that will allow you to remain agile and adapt to the unexpected scenarios. It is much easier to iterate towards success when you are fully aware of the options available.

Axtria is a global big data analytics company. We empower commercial leaders across the Life Sciences industry to make better data-driven decisions, with a combination of analytics consulting, commercial operations applications and cloud information management.

We enable commercial excellence by eliminating spreadsheets and delivering analytical guidance to the field through Axtria SalesIQ™, our cloud based sales planning and operations platform.

We are the partner to support you in technology proofing your commercial operations.

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Alongside future functionality, you need to be in a position to leverage new data sources as they become available. The speed at which you are able to onboard, process and

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.