

The Case for Managed Services



Introduction

For pharmaceutical manufacturers, leveraging the expertise of a trusted managed services provider may be the difference between keeping your head above water or creating an informed, successful market access strategy from your existing data. The vast data landscape puts a lot of pressure on manufacturers, since there are many third parties that they need to interface with from an expertise, technology, and infrastructure standpoint. Without a managed services model, manufacturers are left to figure out and manage many of these complex processes on their own.



Accurate.

Data is received as per contract, with no errors or missing fields.



Timely.

Data is received within the contracted window, every time.



Granular.

Data includes information at the contracted level of detail.



Consistent.

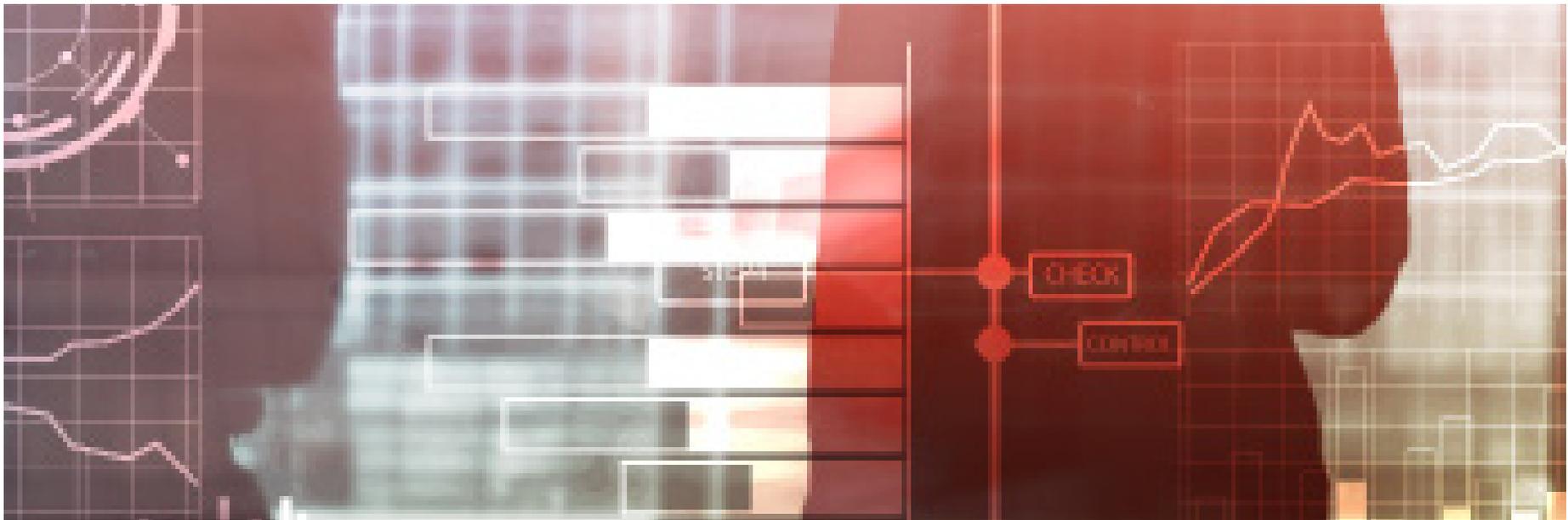
Data is received in the same manner and process, every time.

Infrastructure Challenges

Executing a best-in-class market access strategy requires a modern, adaptable infrastructure that covers everything from hardware and cloud connectivity, to applications and the myriad of data input necessary to satisfy the needs of finance, contract, pricing, trade and channel, patient services, and field reimbursement teams.

Unfortunately, many pharmaceutical manufacturers find that the pace of business evolution has dramatically outpaced the rate of infrastructure improvements. As a result, they are faced with a number of difficult challenges including:

- High costs of systems, licensing, upgrades, and maintenance
- Rigid infrastructure that limits business agility and fails to keep up with commercial requirements
- Disparate systems that lead to manual, inconsistent, and error-prone processes.





“Airedale caerphilly cut the Edam.
Jarlsberg edam mozzarella fromage frais
jarlsberg gouda cut the cheese the big
cheese. “

Senior Director,
Contracts, Pricing and Access

Talent-related Challenges

All pharmaceutical manufacturers want their best talent on the most challenging and lucrative opportunities. However, the reality is that key leaders are often drawn into and inundated with complex, operational challenges, inhibiting their ability to focus on more strategic priorities. Some of these challenges include:

- Unique, deep experience required to optimize results in programs
- Niche systems expertise required to operationalize programs
- Cyclical nature of processes and transaction volumes creates inefficient resourcing and staffing models
- High turnover, especially in competitive areas such as government pricing and gross-to-net.

Managed Services in the Marketplace

It's no surprise that many manufacturers wrestle with achieving an accurate, timely, and audit-ready gross-to-net process. The myriad of fees, rebates, chargebacks, discounts, and other adjustments makes calculating an accurate accrual extremely difficult. Great channel data can dramatically improve gross-to-net performance in several ways:

- Provide accurate, real-time line-of-sight into inventory levels across all distribution channels
- Highlight often-hidden stocking incentives and trading partner fees
- Deliver an end-to-end perspective on product returns, ensuring they are properly priced
- Provides an auditable, repeatable and explainable process for tabulating downstream inventory and total pipeline inventory positions used in the monthly closing process



The perception that big pharma doesn't outsource is no longer accurate. Manufacturers both large and small have been adopting Managed Services to solve these challenges.



Empower Sales and Field Operations Teams

Sales and field operations teams often represent one of the largest expenses for many manufacturers. These teams often lack the channel data necessary to effectively perform territory management and targeting of physician practices, clinics, and pharmacies.

Additionally, determining accurate incentive compensation is extremely difficult and many organizations depend on drug distribution data for help. Unfortunately, this data isn't actual data (it is projected), is error-prone, and often costs manufacturers *\$500,000 to \$1 million per brand*.

Great channel data makes the following possible for finance, marketing and sales operations teams to:

- Leverage timely and actionable data about changing market conditions to update territory assignments and adjust account planning
- Deliver accurate commission payments knowing sales data contains critical geolocation and point-of-care information
- Minimize lost selling time and inefficiency due to commission-related distractions and administrative work associated with validating and reconciling commission payments

In some organizations, the improvement in sales efficiency and elimination of compensation payment errors can result in savings of millions of dollars annually.



“Point of care sales data and coverage of key locations are essential for territory assignment, account planning, and sales compensation.”

SVP, Field Operations

Risks

The path to truly actionable data involves five important steps:



The process begins with aggregating the data across all trading partners and including payer, channel and patient data. However, without the proper data model and master data management (MDM) in place, all of this raw data is just that... mountains of raw data that isn't actionable. Anyone who has ever tried to combine data from different spreadsheets, created by different people using different systems, understands the data aggregation challenge. This is the problem that MDM solves.

Unfortunately, much of the data that manufacturers receive has significant quality issues. Fields are frequently missing, data was incorrectly entered, or data might be received in the wrong sequence or simply received later than expected. This is where IntegriChain applies data science and advanced statistical analysis to refine this data, fill in the missing gaps, and alert the manufacturer of data inconsistencies that can then be resolved in operational meetings or quarterly business reviews (QBRs) with channel partners.

Next, the refined data needs to be compared against targets or key performance indicators (KPIs), often using some type of scorecard to get a snapshot of current performance and compare against contractual commitments between the manufacturer and its trading partners. Examples of KPIs include inventory days-on-hand (DOH), time to fill, and fill rate. Finally, manufacturers use analytics (shown above) to identify patterns or trends, often comparing performance of brands over time or benchmarking trading partner performance.



Conclusion

Today's channel landscape can best be described as dynamic and accelerated. The emergence of hybrid channel models combined with the need for faster channel performance management and analytics has put a renewed focus on the importance of channel data. Great channel data helps the entire organization improve operational excellence, not simply the Trade and Channel organization. Real-time views into downstream inventory, insight into channel data quality issues, evolution to truly data-driven trading partner management, and improving the accuracy of gross-to-net accruals and forecasts result in improved product performance, greater channel efficiency, and higher confidence of patient adoption and initiation.

About IntegriChain

IntegriChain is Life Sciences' data and application backbone for patient access and therapy commercialization. More than 250 manufacturers rely on IntegriChain's ICyte Platform to orchestrate commercial and government payer contracting, patient services, and distribution channels. ICyte is the first and only platform that unites the financial, operational, and commercial data sets required to support therapy access in the era of specialty and precision medicine. With ICyte, Life Sciences innovators are digitalizing labor-intensive processes – freeing up their best talent to identify and resolve coverage and availability hurdles and to manage pricing and forecasting complexity. IntegriChain is backed by Accel-KKR, a leading Silicon Valley technology private equity firm.

2021 IntegriChain Incorporated. All Rights Reserved.

