

Leveraging commercial analytics managed services for sustainable market success

Life sciences companies are facing unique challenges in the post-pandemic landscape, with the need to rapidly adapt to new commercial models. Immediate access to key insights derived from vast market data is crucial for achieving brand and portfolio success.

Achieving this success requires being able to efficiently and quickly leverage the latest innovation in analytics in a flexible and scalable manner, with an appropriate mix of subject matter expertise and supporting technology. Companies seek deeper and more actionable insights while doing so in a cost-effective way.

Commercial teams have adopted diverse approaches in the past to address this multi-faceted need by deploying cost-effective and scalable models that tap into a broad range of analytic skillsets, including the ability to quickly upskill resources on demand. They also aim to strike a balance between the mix of services and technology platforms without the need to constantly chase and become proficient in the use of various approaches and technologies. Life sciences companies have sought to accomplish these goals through various analytics support models ranging from the 'fully captive' model at one end of the spectrum to the 'vendor captive' model at the other end of the spectrum.

The 'fully captive' model

Among the various approaches adopted by life sciences firms for their commercial analytics needs, a few have pursued a completely internal or 'fully captive' approach wherein they build their own in-house commercial analytics capability. Multiple centers-of-expertise are established at a global level with services made available to each brand or market as needed. This approach



grants maximum cost transparency, internal control, intellectual property protection, as well as potentially closer alignment with corporate goals and culture.

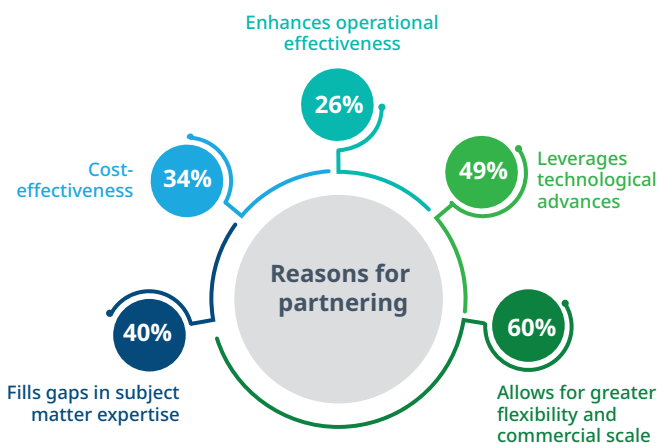
However, establishing and maintaining a fully captive center requires significant upfront investment, including setting up the infrastructure, hiring and onboarding local talent, training, technology upgrades and potentially navigating legal and regulatory considerations across multiple geographies. This model also demands a certain level of agility in adapting the organization to changing analytics needs as the product portfolio evolves (e.g. setting up and/or sunseting certain functions, centers of excellence, therapeutic area expertise, etc.)

It is not unusual to find that achieving the full depth of expertise needed can be costly and sometimes take years to fully acquire. Additionally, it may be challenging for the company to gain access to or keep up with cutting-edge approaches and technologies as advancements continue in the marketplace. Challenges can also exist in aligning global and local needs within this model.

Turning to external expert partners for assistance

To stay competitive, many successful life sciences organizations have turned to external commercial analytics managed services partners to address these challenges. With their ready-access to a broad range of domain expertise, advanced analytics skills, appropriate technology platforms and access to curated data, these partners can quickly augment an organization’s needs by providing a wide variety of analytics capabilities, which can be easily applied across commercial portfolios. At the same time, the partnership approach can quickly and cost-effectively fill resource gaps, enhance operational effectiveness, and allow for the implementation of the latest market-ready technology at scale, with appropriate tailoring to local and global needs. However, to realize these benefits, companies need to carefully consider how they construct the arrangement. IQVIA research has shown that life sciences firms seek the following characteristics of their partners:

Characteristics of working with expert partners

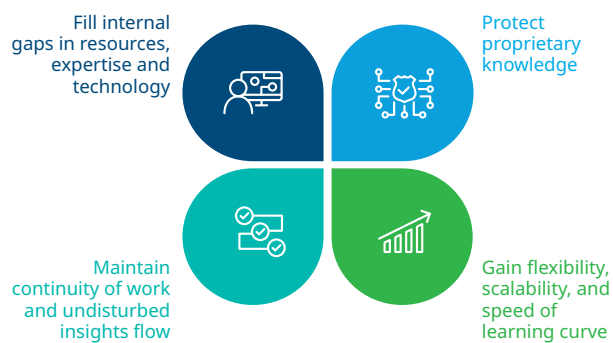


Source: IQVIA research

The ‘vendor captive’ model

When engaging with suppliers, life sciences organizations have pursued varying degrees of partnership, sometimes utilizing multiple suppliers with each partner’s role tailored to address a specific range of commercial analytics needs. In satisfying their commercial analytics needs, many life sciences organizations eventually migrate to a single, primary trusted partner to provide broader end-to-end commercial analytics support. There are several key reasons for this as shown in the figure below:

Key reasons companies choose a vendor captive model



Source: IQVIA research

When this primary partner model is employed, also known as a ‘vendor captive’ model, there are many benefits to be realized including partner responsibility for setting up the infrastructure, providing appropriately trained employees, as well as managing all aspects of hiring, education and performance management. Depending on the partnership’s nature, the partner may also provide facilities for the employees, particularly when the relationship involves an offsite and/or offshore component. This model also has the advantage of flexibility in scaling, providing lower overhead costs and the potential for long-term cost savings.

Under this model, the partner operates exclusively for the life sciences company, aligning goals, processes, and culture with the client organization. By establishing a vendor captive unit, life sciences companies can maintain oversight and customize services, while retaining talent and knowledge within their organization.

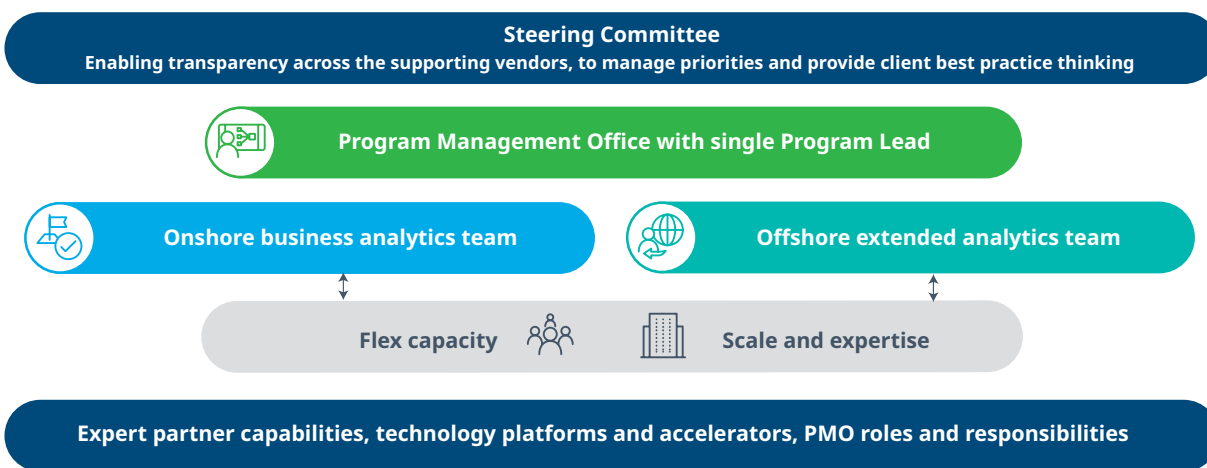
The exclusive vendor captive model can have certain drawbacks compared to the fully captive model, including reduced governance and cost transparency, a tendency to become overly dependent on the partner, the potential use of ‘black box’ models that hinder institutionalizing important knowledge within the company, and a potential lack of operational efficiency as headcount grows, resulting in increased billing rates.

Additionally, this approach can also suffer from a loss of access to industry best practices and innovation, especially when employees are dedicated to a single organization over an extended period of time. Finally, it can take up to one or two years to fully realize and deploy the vendor captive model depending on the staffing model employed.

The hybrid model

Some leading life sciences companies have discovered that utilizing a ‘hybrid approach’ to the previous two models works best – an approach that draws from the best of both models. IQVIA’s Commercial Analytics Managed Services model is built on this hybrid approach. The hybrid solution allows firms to anticipate the fast-paced and constantly changing analytics environment by tapping into a broad and deep set of commercial analytics capabilities that are already market-ready and scale them as required. This includes an appropriate balance of onsite, offsite, and offshore resources.

An example of a successful hybrid operating model



This approach often takes less than a year to fully operationalize and deploy. Team members and facilities are supplied and managed by the partner with a centralized governance process, utilizing an effective program management office to track program health and provide cost transparency. Continuous improvement and innovation are built into the model through a diverse employee pool, ongoing access to thought leadership and industry best practices. Ongoing broad employee interaction and a well-constructed program of training ensures continuous upskilling of employees.

This model is designed with a ‘Build-Operate-Transfer’ approach, where the partner builds the team as well as the governance and engagement models for subsequent transfer to the life sciences organization at a future date.

Using a step-by-step, risk mitigative approach that results in incremental commitment on the part of the life sciences company, the hybrid approach seamlessly brings together subject matter expertise, cutting-edge analytics processes and technology platforms resulting in rapid deployment of end-to-end commercial analytics capabilities. Companies enjoy the benefit of immediate and informed operational support as well as the ability to quickly scale across brands, therapeutic areas and geographies.

In addition to being able to quickly address in-house commercial analytics capability gaps, the model allows life sciences organizations to rapidly access the most current analytics methods and technologies on an ongoing basis while reducing costs. This enables a stronger focus on the organization’s own core competencies.

How to start

Life sciences companies with existing operating partnership arrangements need to consider their current position when utilizing a hybrid model. Firms that use partners typically find themselves somewhere on the spectrum below and oftentimes with multiple suppliers.

Regardless of the originating position, companies that migrate to a hybrid model should work with a partner that has experience and demonstrated success with such business-critical transitions. This includes the use of a well-orchestrated transition framework that clearly sets guidelines to identify and assess any risks early.

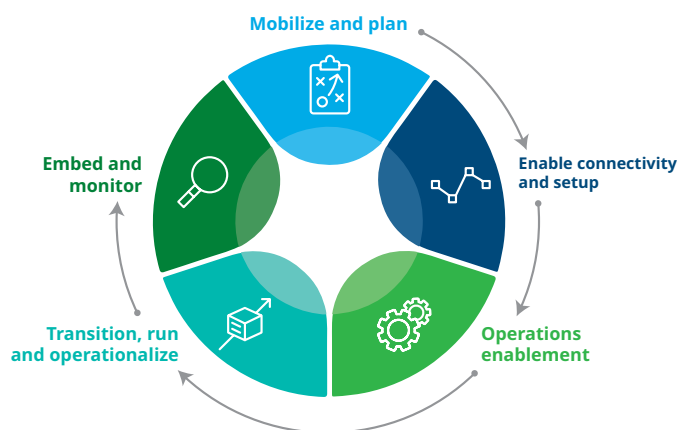
Engagement can start anywhere leading to a partnership



Ensuring retention of institutional knowledge by leveraging appropriate knowledge management processes and platforms is essential. To enable a seamless transition, the use of an effective change management construct will minimize potential disruption. A key aspect of ongoing success is having in place a well-conceived program of employee training that ensures the continuous upskilling of analytics staff. IQVIA has found that leveraging a multi-faceted approach of domain expert training, ongoing thought leadership exposure along with the use of a formal analytics school to be very effective at achieving this goal.

Successful transitions focus on optimizing processes and automation as shown in the figure at right.

Transition framework



Working with a reliable and proven partner in making such a transition is critically important. To this end, IQVIA is proud to have been named a Leader in Everest Group's Life Sciences Sales and Marketing Operations PEAK Matrix® Assessment 2023, earning the highest recognition overall in our ability to deliver such impactful sales and marketing operations services.



Case studies

The following represent several case studies where clients derived significant value from the IQVIA Commercial Analytics Managed Services solution.

Transformed the commercial analytics function of a top 10 global pharma company

Client situation

- Large pharma company experienced sub-optimal and inefficient offshore hub leading to un-controlled cost escalation.
- High spend on unused reporting and analyses
- Lack of knowledge management, innovation, cost-effective automation and actionable insights

Desired cost and management efficiencies plus greater innovation

IQVIA Solution

- Dedicated global business analytics group across 4 regions and 6 BUs consolidated into 6 key focus areas:
 - Data integration and reporting
 - Commercial effectiveness
 - MCM
 - Forecasting
 - Payer and pricing
 - Research
- Delivered more with fewer resources (300 vs. 500+ of incumbent)
- IQVIA partnered with company from discovery, transition to steady state to gain efficiencies, automation and self-service of platform and innovation

Impact

- Fully staffed 300 within 90 days
- Future-looking structure and processes that allow for next-level analyses and innovation
- Streamlined analytics reports by over 15%

Replaced decade+ legacy process in <6 months

Total cost of ownership savings over 3 years of **~25%**

Staffing efficiency gains of **~35%**

Centrally managed a top 10 pharma company's multi-country sales excellence program

Client situation

- The global group lacked visibility into country execution of strategy due to non-standard data and unique processes in each country
- Field line managers and reps were struggling to receive local insights
- There were gaps between commercial excellence and field expectations
- Master data management solution at country level was unavailable

Required smooth transition and seamless change management

IQVIA Solution

- Established a strong governance structure and a change management board
- Implemented a pilot approach for one country followed by a staggered rollout of the remaining dozen+ countries
- Streamlined KPIs across countries and globe by working with in-country teams to rationalize data and systems
- Harmonized complex business rules globally
- Supported countries in local execution through integrated data management and support on an ongoing basis
- Strong centralized PMO and governance with detailed execution approach

Impact

- Performance management and decision making now backed by data and insights
- Improved agility with speed to react to business changes
- Field productivity driven through cultural change
- Reduced spend by streamlining disparate processes and IT systems
- Global data governance established at a country level

Country-specific execution support through local market teams

Reduce time needed for business changes by **~80%**

Operational effectiveness improvement by **~200%**

IQVIA understands the complex and unique challenges that life sciences companies face in the post-pandemic landscape. We will work with you to tailor the right approach based on your environment and implement a solution that enables rapid, actionable insights. Contact IQVIA to learn more.



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