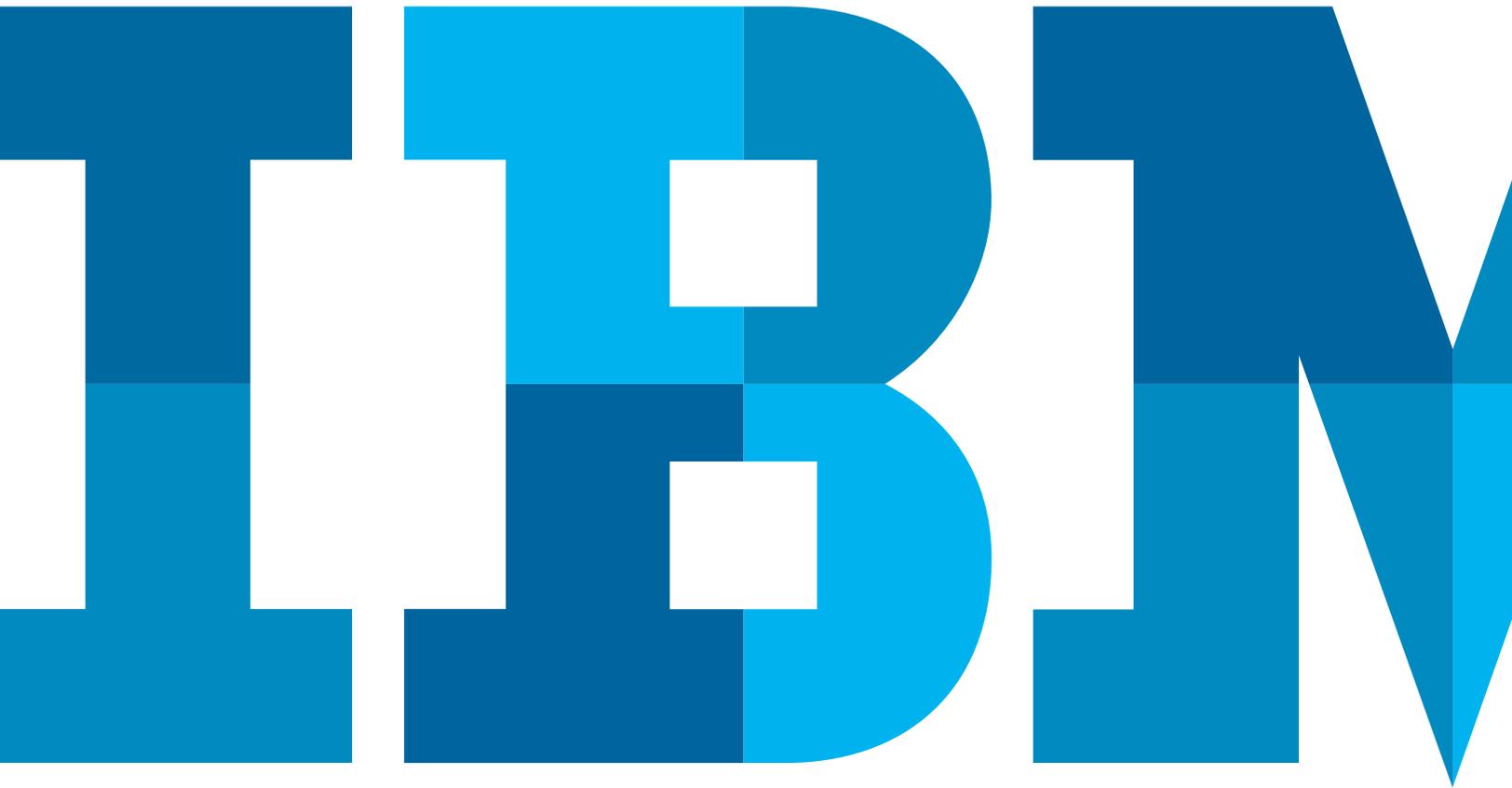


Business analytics for life sciences companies

Leveraging analytics, business intelligence and performance management to improve operations



Abstract

IBM® Cognos® analytics and performance management solutions make life sciences companies better equipped to leverage vast volumes of information to make more intelligent decisions and link top-level strategies with departmental plans. With business analytics solutions from IBM, life sciences companies can:

- Gain a complete view of the clinical development process
- Monitor performance against key milestones
- Integrate plans and budgets
- Aggregate customer, channel and product data
- Structure reporting to comply with regulatory requirements

Overview

Cognos business analytics solutions allow life sciences executives to gain in-depth understandings of how well their company is operating relative to its historical trends, its peers and the overall market. Managers can connect operational details to business drivers, and Cognos solutions empower users across the organization to track material exceptions triggered by real-time events and trends.

The life sciences industry's blockbuster drugs are facing patent expiration, and new products aren't replacing lost revenues quickly enough. Meanwhile, life sciences companies are faced with managing complex, people-intensive processes—often with inadequate tools.

Improved abilities to manage and monitor performance across the organization are essential for improving clinical research and development, production and distribution. Life sciences companies need better capabilities for establishing organizational goals and metrics, managing drug development processes and then tracking and understanding the results.

Improved business analytics are needed so life sciences companies can improve operational efficiencies and better contain costs. Life sciences companies need to better be able to understand the “why” behind critical business issues, trends and opportunities so they can gain an accurate, forward-looking view into business operations.

A life sciences company can no longer rely on siloed reporting, analytics or planning to manage product lifecycles. Smarter systems are needed to help life sciences companies segment and serve a diverse customer base, proactively gathering and analyzing information to develop a deeper understanding of each segment's specific needs.

Close collaboration with wholesalers, governments, hospitals and retail pharmacies is critical to serving those customers better, and it helps ensure regulatory compliance and gain greater visibility into product quality and market demand.

Many life sciences companies are undergoing massive changes, with significant M&A activity and organizational restructuring underway. For pharmaceutical companies, lagging R&D productivity is leading to limited pipelines as patent expirations and increasing generics competition are impacting revenues and eroding margins. With integrated plans, analysis and performance metrics, life sciences companies can make more intelligent and informed decisions throughout the development, clinical research and product delivery lifecycles.

Align your strategies and actions

Whether you're trying to track and analyze revenue, identify top-performing sales reps or measure the effectiveness of marketing campaigns, you must first strengthen the link between strategy and frontline execution. Cognos software gives you the power to do just that. Enterprise planning drives sales and marketing performance, enterprise scorecarding monitors progress against your plan and enterprise business intelligence (BI) lets you report, analyze and understand your brand performance.

With business analytics software from Cognos, you can build on the planning, budgeting and reporting activities you already have in place, and integrate new capabilities when you're ready. And with Cognos Performance Blueprints—predefined data, process and policy models that provide a best practices approach—we deliver out-of-the box functionality for managing sales and marketing effectiveness.

Manage your budgets more effectively

Do you want detailed, complete and consolidated information? Cognos planning software can deliver it by automating all your core financial processes— budgeting, planning, consolidations, forecasting and reporting—and your organization ends its reliance on error-prone spreadsheets. Cognos software presents a unified view of your marketing budgets at the department, project or territorial expense level. You'll always know where you stand against your plan with clear, concise and accurate information. And with robust modeling and improved forecasting, you can confidently predict your future.

Link resources with opportunities

With the average sales visit lasting a mere three minutes, your sales representatives have to make the most of every opportunity. But where do the best opportunities lie? Cognos software gives you the information you need to pinpoint the strengths and weaknesses in your salesforce to help you streamline your sales process, lower the cost of sales and allocate resources more effectively. You can identify your top sales reps by product, city, region or country in a matter of seconds.

Compare the cost of sales to revenues—by customer, sales representative and region—then decide whether you have the right representatives and resources in the right places. Identify your most profitable resellers. Track your distribution network to improve channel effectiveness. Gauge the effectiveness of sales and marketing collateral to get the most out of your budget.

Here's just one example: regional sales managers need clear targets and goals, and an understanding of how they are defined. Managers must be able to forecast sales and have continuous feedback on sales performance against corporate targets and sales forecasts. The Cognos Sales Allocation Performance Blueprint helps you understand and track your overall sales forecast and performance against quotas.

Use scorecarding to set goals and priorities

Can you communicate a common set of priorities throughout your organization? You need to ensure expectations for your sales and marketing teams are consistently measured and reported on regardless of rep or region. Cognos scorecarding ensures that everyone in your organization—from the boardroom to the reps in the field—shares the same information at the same time, all the time.

Everyone can identify performance issues and focus on the areas crucial to your success. Employees can view and understand their performance against key indicators like sales, growth and market share, and then compare them to call activity, reach, frequency and sales expenses. They can clearly see how their decisions and actions impact the overall strategy. Powerful analytics let anyone drill down into greater detail to find out what's affecting performance, and collaboration tools help you share insights.

Make the tough calls

As budgets decline and discretionary spending tightens, your users must increasingly make difficult decisions regarding resource allocation and initiative prioritization. Cognos software streamlines this decision-making process by enabling users to evaluate financial results across countries, currencies and legal entities.

With detailed analytic capabilities, management can assess how results change over time, in different regions and across various product lines. By drilling down to transaction-level detail or comparing performance for any time period they choose, management can spot trends that allow them to better understand resource requirements and plan accordingly.

In practical terms, this level of insight lets users make tough calls regarding which assets, resources, initiatives, locations, products or customer relationships may no longer be sustainable. On the flip side, it also allows decision-makers to target marketing efforts to promising customers, deliver advanced training to high-performing employees, roll out new products in key regions and measurably improve productivity by streamlining workflow and eliminating process inefficiencies.

Identify your best revenue opportunities

Cognos software unites data from multiple sources to deliver a detailed, in-depth view of purchase patterns, revenue, growth, lifetime value, satisfaction, service calls and costs, total sales to date and more. You can profile sales patterns to focus distribution resources, and share this information throughout the organization. For example, your marketing team can analyze which drugs are performing best in each region, while a sales rep might view a list of local doctors who are most likely to prescribe your products based on their prior prescription history.

Cognos business analytics solutions

Cognos software allows life sciences executives to analyze business trends and gain greater insights into operational performance. Rather than measuring performance in absolutes, business users can leverage critical business ratios and key performance indicators (KPIs) to gain a comprehensive overview of organizational efficiency. This type of tracking allows life sciences companies to get answers to complex strategic questions, such as:

- What is our revenue growth relative to market growth?
- Are my contracts in compliance and is my pricing strategy delivering results?
- Should I consider outsourcing aspects of R&D?
- Which of our channels and regions are most likely to outperform?

Armed with this information, management gains the context they need for key decisions. With insight into the state of the market—and the organization's place within it—executives can reallocate projects and resources, identify poorly performing assets, measure the profitability of key accounts, rebalance the company's product mix, reprioritize expenditures, improve customer payment processes and ensure that departments remain focused on value-added activities.



Life sciences companies can make data-driven decisions based on up-to-date information presented via a Web-based graphical interface.

Implement proactive brand management

With the average cost of bringing a new product to market exceeding a billion dollars, pharmaceutical organizations are striving to achieve commercialization excellence by driving successful product launches and enhancing go-to-market productivity, all in the pursuit of maximizing brand value.

The challenge is not limited to internal efficiencies alone. Working with external constituencies, including regulatory agencies and key opinion leaders, is a critical success factor as well. Success depends on tapping a broad set of competencies ranging from conducting late-stage trials to managing regulatory hurdles to informing the medical community about disease states.

A brand manager must have a keen understanding of strategic objectives and be able to translate them into operational plans. With the right decision-making tools and capabilities, the brand manager can view the status of action plans, have real-time access to KPIs and drill down into the operational details to isolate bottlenecks and take corrective action. Cognos software includes dashboards, scorecards and enterprise planning tools to address the complexities of managing a global pharmaceutical brand.

Brand managers can understand how they are performing, drill-down into the details of activities, identify problems and take both financial and operational action. Key benefits include:

- Analyzing and understanding key drivers and metrics
- Identifying process bottlenecks and bring a product to market as quickly as possible
- Enabling top-down and bottom-up planning and management activities
- Understanding the true impact of management decisions and investments

Life sciences companies can also leverage business analytics to maximize revenue from existing brands. They can nurture existing brands to maximize existing revenue streams while building market share and creating greater loyalty in the distribution channel.

Data-driven decision-making based on accurate, timely and relevant reports allows life sciences companies to more effectively manage brands across the entire product lifecycle. The use of business analytics directly impacts a life sciences company's ability to drive informed decisions that maximize brand value based on real-world information, instead of settling for a subjective decision-making process based on anecdotal information.

Leverage clinical analytics

Clinical organizations manage complex, people-intensive processes, often with inadequate tools. With improved analytics, you can improve operational efficiency and contain costs.

Cognos software helps your clinical research organization set goals and metrics, fix plans and understand results. It provides an integrated, best-practices platform for clinical analytics. It gives you access to all your critical data—including clinical trials, operations, financial and regulatory information—and delivers the scorecarding, business intelligence reporting and analysis, and planning and budgeting tools you need to manage and optimize performance.

You can consolidate and leverage your critical data, and turn it into meaningful analysis and reports that everyone can use. You can spot broader trends and drill down to discover underlying causes and issues. Cognos software communicates your strategy and objectives through metrics-based scorecards and dashboards. It provides an aggregate view of information from many different sources so people can understand and take ownership of their performance. Your workforce can gain greater visibility into operations and strategy, better understand the part they play in making the business succeed and understand the meaning of the metrics that measure their success.

Track samples and monitor regulatory compliance

Is compliance distracting you from selling? Stringent regulations demand the kind of detailed, comprehensive reporting that takes time, costs money and distracts your sales reps from closing sales. Cognos software provides timely, easy-to-understand information about drug samples so your reps can concentrate on what's important. Managers can track sample usage at the national level. If a sample variance crops up, they can be notified to take corrective action before the information becomes dated. You can track lot numbers and automate governmental reporting to save time and money.

To maximize return on your considerable investment in sample distribution, the Cognos Sample Optimization Performance Blueprint helps you determine the right mix and amount of resources to allocate to sales forces. Only then will your investment in field marketing campaigns, education programs and sample distribution drive increasing prescription volume.

Orchestrate the supply chain

The business value of supply chain visibility for life sciences organizations is simple—it helps you understand your company's performance. It leads you to take action on recent information, and creates a common context for decision-making across every department and at every level. For life sciences companies, the value of supply chain visibility goes beyond better insights into financial performance; it allows organizations to gain clearer insights into product safety and regulatory compliance issues.

Cognos software helps life sciences organizations answer the fundamental questions in supply chain performance management:

- How are we doing?
- Why are we doing what we are doing?
- What should we be doing?

Managers need to answer all three questions to manage performance effectively. Without knowing how they're doing, they can't be proactive; they must constantly react. Without knowing why, managers can't identify problems or make improvements. Without knowing what they should be doing, managers are forced to act in a vacuum; they can't understand the impact of their decisions or see opportunities for change.

Business analytics are an integral part of supply chain and regulatory compliance management. These capabilities help you see what is going on in terms of operations and supplier processes. Your company gains the capability, visibility and intelligence to build an efficient and customer-focused supply chain that lowers costs and mitigates risks. Business analytics provides the insight your organization needs to optimize the global supply chain—so you can anticipate problems before they happen, understand the reasons behind results and improve performance.

Analyze business operations

Cognos business analytics software provides an integrated platform for business analytics. It leverages critical data systems including ERP. And it delivers the scorecarding, reporting, analysis and planning tools to optimize performance. With Cognos software, life sciences companies can improve their abilities to make timely, informed decisions in clinical R&D, manufacturing, operations and finance. Cognos software enables pharmaceuticals and life sciences companies to:

- Gain a complete view of the clinical development process to increase clinical efficiency and optimize the cost/value relationship.
- Monitor performance against key milestones such as investigator selection, site initiations, enrollment, drug shipments and availability.

- Integrate plans and budgets to provide visibility into clinical spending, predict clinical expenses and maximize financial capital leverage.
- Aggregate customer, channel and product data for a single view of sales volume to drive more targeted deployment of marketing investments.
- Enable driver-based planning to make better decisions about resource allocations, such as clinical trials, marketing programs, advertising and samples.
- Improve contracting effectiveness through better planning and analysis of key performance indicators, historical performance and scenario analysis.
- Structure data and reporting to comply with national and local regulatory requirements.

Life sciences executives must detect trends, changes and exceptions—and respond accordingly. That's why many of the top players across the life sciences industry—including 27 of the top 30 pharmaceutical firms—have already chosen Cognos software.

Cognos software supports data-driven decision-making across life sciences companies, contributing to higher revenues, greater profitability and reduced cost through improved operational efficiency. The world's leading pharmaceutical and life sciences companies choose Cognos software to improve drug development, increase operational performance, drive revenue and market share and comply with regulatory requirements. By accruing directly to the bottom line, the results of more-informed decisions across the organization give life sciences companies the impetus needed to successfully navigate constantly changing market demands and regulatory requirements.

Optimize operations through an information-led transformation

Pharmaceutical and biotechnology companies looking to create sustainable competitive advantage need a business analytics strategy encompassing business strategy, information, process and organizational change.

IBM's Information Agenda approach is an industry-specific approach for defining and implementing an information-led transformation. With a proven track record of helping life

sciences companies respond and adapt quickly to unpredictable, up-to-the-minute changes in their business, the IBM Information Agenda approach will help your business develop a customized roadmap in a matter of weeks.

Vital to this approach are Cognos business analytics solutions, which include the software and services that enable you to make better decisions by providing planning, budgeting, forecasting, measuring, monitoring, reporting and analysis capabilities that can help you optimize business operations. With Cognos software, life sciences companies can begin the journey to an information-led transformation. They can implement a complete framework or pick and choose the products that best suit their business requirements, budget or existing systems. These products include:

- **Cognos Business Intelligence** combines operational and financial data from across your organization into a single, seamless source of information for reporting, analysis, dashboards and scorecards to drive better business decisions.
- **Cognos TMI** provides complete planning, budgeting, reporting and analytics.
- **Cognos Analytic Applications** provide line of business professionals with packaged reporting and analysis to optimize business performance.
- **Cognos Performance Blueprints** are free, quick-start models that speed software deployments and drive faster return on investment. Blueprints provide streamlined planning, forecasting, analysis and reporting functionality.

Read more about life sciences business analytics with Cognos software. For demos, white papers, analyst reports and more please visit www.ibm.com/cognos/lifesciences.

Smarter life sciences analytics



Life sciences companies need the ability to manage large volumes of information in real-time. They need to be able to incorporate analytics and predictive modeling by pervasively collecting and sharing information across the entire value chain and speeding time to value by delivering trusted, accurate and timely information to the right decision-makers.

Cognos analytics solutions make life sciences companies better equipped to leverage vast volumes of information to enable more intelligent decisions, and they are better able to link top-level strategies with departmental plans. They can better leverage information to gain comprehensive insights across applications and data sources to better manage today's increasingly complex information infrastructure. To address tremendous competitive pressures and regulatory requirements, life sciences companies need infrastructure that is much smarter and far more:

- **Instrumented**—Using sensors and “smart” devices allows life sciences companies to gain greater visibility across the production processes and the supply chain so they can mitigate risk, reduce cost and manage rising complexity.
 - **Interconnected**—Life sciences companies can integrate the entire production and distribution process so they can share information, make decisions collaboratively and manage in real-time—and connect with suppliers and customers.
 - **Intelligent**—Relying more on advanced analytics, simulation and modeling tools allows life sciences companies to evaluate increasingly complex and dynamic risks and constraints and manage product development, production and distribution more methodically.
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About IBM Cognos BI and Performance Management

IBM Cognos business intelligence and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help life sciences companies plan, understand and manage financial and operational performance.

IBM Cognos solutions bring together technology, analytical applications, best practices and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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