CRM in the Pharmaceutical Industry

Views for 2016

The Rembrandt Group LLC
CRM In pharmaceutical companies - complicated by multiple interactions / channels
A View of World Class CRM

Properly executed, CRM enables the company to have a 360° degree view of the customer and the customer to have a complete view of their experience with the company.
Market Research Purpose and Analytics

KMF Aids all Analytics (IMS, WK, NDC, SAP)
Market Research

KMF is used on ALL phases

Primary Research
- Questionnaires
- Focus Groups
- User Groups
- Postal Survey
- Telephone Surveys
- Customer Interviews
- Test Markets

Technology - Internet feedback

Secondary Research

Purpose

Sampling Methods

Internal Sources
- External Sources

Random Samples
- Stratified or Segment Random Sampling
- Quota Sampling
- Cluster Sampling
- Contact or ‘Snowball’ Sampling
- Multi-Stage Sampling
Market Research Competitive Analytics With KMF Enabled

Benefits with KMF
- Better Data
- No Coding
- Faster Access to results
- No Manual Effort
- Reduces Total Effort
- Reduces research Costs
- Faster Products to Market

Sales Market Research Portal
- Flat files Data
- Competitive Information
  - Reps
  - Product
  - Channels
  - Distribution
  - Stores
- Reports to Field Forces
- KMF Engine
- Reports to Field Forces
- KMF Sales/MRE Mgmt Portal
- Charts Graphics
- Users:
  - Home Office
  - Reps
- Marketing
  - VPs
    - Analysts
    - Ad Hocs
    - Primary Research
    - Secondary Research
      - Reports
      - Graphics
- Competitive Analytics
  - Category
  - Brand/SKU
  - Product
- Strategic Planning

External Data
- Social Media Sites
- WWW Internet Sites
- Social Media
- DW
- IMS Data
- Nielsen
- PaidDBs
- Social Media
- CRM
- DM
- SFA
- Financial Data (SAP OPX.x)
- & SALES SD-AP

KMF Engine
- Information
  - No Coding
  - Fast and accurate
  - 24x7x365 updates
  - Not Millions like DW

Financial Data
(SAP OPX.x)
Evolving to a Complete Decision-Making Environment

**Better, Faster Operational Actions**
- Single view of the business
- Analysis of detail-level data
- Real-time access to the data
- Unlimited scalable growth potential
- Strategic, tactical and event driven decision making
- Significant cost savings by eliminating inefficient data marts and Operational Data Stores

**Enterprise Information Environment**
- Customer Relationships
- Demand Chain
- Supply Chain
- Financial Operations
- Business Process Management
- E-commerce
- Industry-specific operations

**Better, Faster Customer Communications**

**ERP / SCM**
- Back-Office Operational
  - Enterprise Resource Management
  - Product Supply Chain Management
  - Services Supply Chain Management

**CRM**
- Front-Office Operational
  - Marketing
  - Sales
  - Customer Service
  - E-Commerce
**View on Analytical CRM for the Pharmaceutical Industry**

- Competition for the attention of physicians will remain fierce as the number of products, sales reps, and patients continues to expand. Every opportunity to talk to a physician is precise – and you need to deliver the most relevant message that maximizes the probability of measurable economic impact.

- Currently, that responsibility is pushed down too far in the organization (the local sales rep) and the majority of communications are sub-optimal (wrong detail, bad timing, etc.) resulting in lost opportunities to gain competitive advantage.

- The required analysis and communication management infrastructure requires new tools that go beyond basic OLAP reporting which highlights trends but fails to provide meaningful insight as to how the company could affect trends.

- CRM analyzes past behavior of the physicians and organizational tactics to empirically determine the right detailing that should be delivered to the right physician at the right time through the right channel.
Winning Physician Share-of-Mind

What Needs to Happen

• Target messages more closely to the needs of individual physicians
• Tailor marketing efforts across multiple customer-facing channels
• Traverse and influence the entire range of decision makers
  - providers
  - patients
  - pharmacists
  - nurse specialists
  - third-party payers

Keys to Making it Happen

• Deep understanding of constituent needs
• Tools for analyzing and planning communications with key groups
• Willingness to try new approaches
• Processes for evaluating the effectiveness of multiple communications and the fine-tuning them accordingly
Corporate Knowledge Pyramid

- **Data**
  - Data-ERPs, SAP
  - The Foundation

- **SOA, MDM, Metadata**
  - Harmonize the Rules and Definitions

- **Data Warehouse**
  - Centralize & Integrate Data

- **Analytic Management**
  - Provide Reporting & Analytics to Drive Growth

- **Knowledge Management**
  - Knowledge Management Internal and External Information Sources

- **Knowledge**
  - What, Why?, How?, Who, Where?

  - Can't Ask Questions

- **Knowledge Management**
  - KM

- **Knowledge Management**
  - KMF
Perspectives on the Migration to a Knowledge Info-Structure

STAGE 1
REPORTING
WHAT happened?
OLTP-ERP

STAGE 2
ANALYZING
WHY did it happen?
EDW-BI

STAGE 3
PREDICTING
WHAT WILL happen?
KMF

START-UP GROWTH CONTROL ARCH. INTEGRATED STRATEGIC
Evolution of Reporting to Analytics

What Happened?
- Percent seen
- Average frequency of contact
- Number of samples
- Achievement vs. objectives
- Call rates
- Volume and market share

Why Did It Happen?
- Why are sales down in this particular therapeutic class?
- What is the correlation between prescriptions and event participation?
- Why did some physicians react more favorably to our campaign than others?
- What’s the impact of recent news about our competitor?

What Should Happen?
- Who should receive which detailing & with which message?
- Who should we invite to maximize the ROI of an upcoming event?
- What would be the impact of increasing the frequency of visits to this physician segment?
- Which physician are most likely to increase prescribing?

WORK FLOW
- IMS Sales & Rx Data
- Other Company Knowledge
- Customer Services & Events
- Physician Demographics
- Promotional Contact History

APPLICATION EVOLUTION
- Customer Identification Reporting
- Pre-defined
- Ad Hoc
- Customer Segmentation
- Analyzing
- Modeling
- Event Driven
- Customer Prediction
- Predicting
Business Process Change as result of enhanced analytics

Current/Past

- Focused on Rx Share
  - Channel Operational Metrics

- Macro Level
  - Operational and Ad-Hoc

- Episodic
  - Manually Intensive
  - Same few broadcast messages for every contact

Future

Opportunity Identification

- Focused on Physician Segment
  - Actual versus Potential

- Physician Behavior Metrics

Customer Planning

- Manage Physician Segments & Contacts over Time across Channels

- Systemic Learning

Execution

- Persistent
  - Highly Automated Workflows

- Micro-marketing and Focused Promotion

Easy to Say

- Which physicians are the most important ones that I should contact in the near future?
- How should I contact them?
- What should I talk to them about?

Hard to Do

- Identify optimal promotional opportunities for each customer
- Track thousands of simultaneous contacts, through multiple channels, with different promotional messages
- Analyze each transaction for each customer, every day
Analytical CRM allows the business to compete more successfully Drug Launch Example

**Current State**

- **Search for Blockbuster**
  - does not take into account existing physician relationships
  - trend towards outsourcing
- **Target “high prescribers”**
  - little personalization input
  - same detailing treatments
  - little or no use of past data to learn from history
- **Channel optimization**
  - metrics are physician reach and frequency
  - reports via 3rd party input
  - Little or no input on how targets reacted to offers
- **Rx Market Share Reporting and continued channel optimization**
  - reports via 3rd party input
  - new uniform detailing treatments

**Future State**

- **Empirical analysis**
  - product line gap analysis via affinity analysis
  - align partner offerings with sales force strengths
- **Physician Segmentation**
  - early adopters v. laggards
  - precise communication planning
  - pro-forma resource investment planning
- **Conversion effectiveness optimization**
  - metrics are actual versus potential
  - closed-loop campaign management
  - event detection and multi-step coordinated messaging to various constituents
- **Physician Relationship Optimization**
  - segment based refinement and realignment of messaging
  - coordinate multiple mutually exclusive value propositions
Pharmaceutical CRM Analytics
Value Proposition

Align business strategy with customer information

Increase business and customer loyalty

Allow enterprise access to integrated customer information

360° view of the customer and all touchpoints to all users

Provide new insights into customer behavior

Correlate customer characteristics & promotional campaigns with promotion response

Increases cost-effective and innovative approaches to customer communications

True micro-marketing and targeting to the most appropriate customers
What is EDW?

- An RDBMS designed to:
  - Store hundreds of Terabytes
  - Model the enterprise
  - Start small and grow

- Operating systems:
  - An open system
  - Available on UNIX MP-RAS & Windows NT,
    Windows 2000
  - Compliant with industry ANSI standards

- Fed by operational systems

- Parallel Architecture:
  - Data evenly distributed
  - Ensures top performance
  - Enables linear growth by adding “nodes”

- Analysis vs. Standard Reporting
  - Ask complex questions
  - Ask new questions
Enterprise Information Architecture

Data Management

1. Data Sources
   - Internal Sources
   - External Sources
   - Partner Data

2. Extract
   - Cleansing
   - Transforming
   - Loading

3. Data ETL
   - Cleansing
   - Transforming
   - Loading

Enterprise Data Warehouse

Analytics

4. External Data
5. Model Write-Back
6. Data Sample

Marketing Automation

7. Data Mining / Modeling

8. Campaign Mgmt Data Mart
9. Decision Database

Customer Interaction Architecture

10. Targeted Lists
11. Direct Mail
    - E-mail / Fax
    - Web
    - Call Center

Campaign Response

Data Management Processes:
- Data Sources
- Extract
- Cleansing
- Transforming
- Loading
- Data ETL
- Model Write-Back
- Data Mining / Modeling

Analytics Processes:
- Data Sample
- External Data

Marketing Automation Processes:
- Campaign Mgmt Data Mart
- Decision Database
- Targeted Lists

Customer Interaction Architecture Processes:
- Direct Mail
- E-mail / Fax
- Web
- Call Center
The Marketer’s Task: Understand and Communicate Successfully With a Multitude of Individual Customers Every Day

Marketers need the technology ‘power tools’ to gather, analyze and interpret thousands or millions of data strands of customer interaction detail from multiple touch points, channels and data sources – cracking the DNA code of each customer and learning over time to communicate and build meaningful relationships.
Rembrandt CRM Overview

Analysis
- Analyze customer profiles & behavior
- Target customers
- Evaluate response
- Event Analysis

Modeling
- Build and analyze predictive models
- Score customers

Personalization
- Build personalization Rules
- Generate personalized offers by customer

Optimization
- Prioritize and limit communications by channel
- Regulate frequency and quantity of contacts by channel
- Optimize customer communications through contact modeling

Interaction
- Deploy outbound or manage pending inbound/event-driven communications
- Manager workflow of interactions
- Personalization Merge
- Real-time personalization

Communication
- Plan continuous communication dialogues
- Define batch and real-time event rules and triggers

Capture and re-use analysis knowledge

Data Warehouse
Sample Scenarios
“Create a Promotional Campaign to offer key physicians a series of clinical diagnostic aids – and manage the entire process automatically”

Key Benefits

- Identify the most appropriate physicians
- Automate and integrate all activities and responses
- Track the status of every physician within the campaign
ROI of Promotional Events – Pattern Detection

“A series of Promotional Events are held and physicians attend at different times – what’s the effect of this promotion on prescribing?”

Key Benefits

- Can “Base-Line” key events to a zero time point irrespective of the timing of each event
- Can track participants and prescribing
- Can extract subsets for subsequent analyses
Understand Changes in Prescribing Habits

“Identify physicians who increase or decrease prescribing and understand the underlying behavioral reasons”

Key Benefits

- Extract any sub-group based on changing Rx behavior
- Analyze differences in promotion
- Analyze differences in physician characteristics
ROI of Micro-marketing

“Study the effect of one promotional activity while standardizing other promotional activities”

Key Benefits

- Can select any type of activity to study
- Can select any geography
- Can create matched pairs based on any promotional activities or characteristics
- Can extract subsets for subsequent analyses of non-matched criteria
- Can create ad hoc aggregations or calculations on any data variable
Predicting Promotion Response

“Identify the physicians most likely to respond based on physician characteristics and/or promotion type”

Key Benefits

- Eliminates guesswork by identifying the significant variables that determine promotion response
- Identify physicians most likely to respond to promotion
- Track promotion and validate or modify the model
Prescribing Relationships – Product Affinity

“What relationship exists between the prescribing of one product or therapy class and another product or therapy class?”

Key Benefits

- Can investigate any combination of Product or Therapy Class
- Can compare any sub-groups of physicians (e.g., increasing vs decreasing prescribing levels)
Sample Analytics
Product/Affinity Analysis

“What are the top 5 drug line opportunities for us to consider entering vis-à-vis R&D, partnerships or acquisition?”

Key Benefits

- Understand what physicians prescribe in conjunction by therapeutic category
- Drill down to quickly explore patterns (active datasets)
- Use any attribute to segment physician sets
Communication Director

“I have the discretion to give 8 different messages to this physician today, which is the best one that will influence this physician’s behavior the most in the short and long run?”

Key Benefits

- Ensures rules for communicating with customers are adhered to.
- Manages level and frequency of customer contact
- Ensures channels are provided with appropriate type and amount of work
- Prioritizes opportunities so that the best leads are followed up first
Response Modeling

“Which group of physicians are most likely to change their behavior after detailing ‘X’ for therapeutic class ‘Y’?”

Key Benefits

- Automatically models most likely responders for a communication
- Eliminates guesswork by identifying significant variables that affect response behavior
- Actively target physicians directly from charts
Pattern Detection

“What has been the impact of each detailing on increasing prescriptions of our drugs? When does a detailing begin to realize diminishing returns?”

Key Benefits

- Analyzes data patterns to offer predictive insight, e.g. what is the impact of a particular detailing on prescriptions
- Predicts activity leading up to & after a significant purchase
Event Discovery

“Which physicians have significantly altered their prescription behavior based on drug ‘N’ going on formulary ‘P’?”

Key Benefits

- Timely identification of unique opportunities or threats based on significant events
- Systematically produce and continuously refine sophisticated event detectives
- Capturing and reuse of organization's knowledge
Why CRM Dominates in Industries with Analytical Needs

- Provides a variety of analytical approaches
- Analytics across large amounts of transactional data
- Analytics across integrated promotional touchpoints
- Analytics integrated with event driven workflow
- Real-time decision support
- Maximum scalability
- Lowest Total Cost of Ownership
- Mission-critical availability
Summary and Trends

- Analytical CRM is based on the strength of the data warehouse
- Strong focus on ROI, verticals
- Provides a central environment for process enhancements
- Comprehensive analytics
- Emphasis on event driven with detail data
- Enhanced levels of optimization
- Powerful drill down into individual customer and transaction detail data
- Actionable components across all modules
- Real time profile, update and communication flow
- Integrates the on-line and off-line channels enabling effective cross selling and more efficient customer value management