

Cloud-based Revenue Management Solution

For the U.S. group of a leading Japanese pharmaceutical company

Challenge

Custom contract system lacked architecture to perform accurate pricing calculations as well as rigorous processes to govern entire contract lifecycle.

Solution

A cloud-based revenue management system offered a quick and cost-effective solution with reduced start-up costs, quicker time to value, and flexible outsourced support.

Results

- Three year lease saved 50% in the first year and slashed upfront risk and capital expenditure
- Simpler and faster install with pre-configured hardware
- Access to support for business processes requiring specific domain expertise
- Guaranteed uptime and anywhere, anytime access to critical applications
- Immediate business value
- Streamlined contract processes

Company Overview

The client is the U.S.-based group company of a leading Japanese pharmaceutical company that has been developing and commercializing healthcare products for over 125 years. With a strong focus on women's health, pediatrics, cardiovascular diseases, and diabetes, the firm also has numerous products in development for sexual health, HIV, and obesity.

Business Challenge

For the past seven years, the company managed contracts with a custom-developed system that lacked the architecture necessary to perform accurate pricing calculations. The firm also lacked rigorous processes to govern the entire contract lifecycle and to ensure accuracy, compliance, and efficiency. Realizing that these insufficiencies could cause millions in lost revenue, the client resolved to implement a reliable, accurate contracting platform.

Solution

With internal expertise focused on other projects, the company turned to HighPoint Solutions to help manage the RFP process. The project team developed a list of questions as well as functional requirements and a scoring matrix to help evaluate software vendors and narrow the list down to two. During this process, the client decided to utilize an outsourced solution rather than undertaking a traditional implementation that would involve licensing and installing a software package. This unconventional approach would allow the firm to focus its internal staff on core competencies while leveraging cost-effective, experienced resources from a third party.

Once a vendor was selected, HighPoint assisted in negotiating the software licensing and outsourcing contract and developing an implementation plan that encompassed the software vendor, outsourcing provider, IT consulting firm, and internal resources.

Since it was the first time that the software package had been implemented in the cloud, there were some additional factors for the project team to consider. The team had to deal with sending massive amounts of data between the company's offices, remote employees, and the data center that hosted the software in California. They also needed to train the external resources on their internal business processes, which were being revised while the implementation was ongoing. In addition, security had to be established to allow the external resources to access internal support systems needed to run the business processes without compromising corporate data.

Results

Utilizing a software-as-a-service approach offered several key benefits to the pharmaceutical firm. Rather than paying for an upfront license fee, an implementation fee, and an annual maintenance fee, the client paid for a three year lease, which saved them 50% in the first year and slashed upfront risk and capital expenditure. The cloud solution also was simpler and faster to install, since it was using pre-configured hardware. It gave the firm access to support for business processes that required significant domain expertise with guaranteed uptime and anywhere, anytime access to critical applications.

For small and medium-sized pharmaceutical firms, a cloud-based revenue management solution offers significantly lower start-up costs and quicker business value.

Benefits of the Cloud-based Revenue Management Solution

- Implementation time accelerated by nearly 30%
- Access to implementation, support, and technical domain expertise
- Guaranteed uptime and anywhere, anytime access to critical applications
- 50% reduction in first-year costs with significantly lower risk and capital expenditure upfront
- Improved flexibility and scalability
- Enhancements delivered more rapidly