

WHITEPAPER

HOW HEALTHY ARE YOUR MARKET ACCESS PROGRAMS?

A GUIDE TO PERFORMING CHECK-UPS ON PHARMACEUTICAL DISTRIBUTION AND PATIENT ACCESS PROGRAMS

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CONSULTING



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INTRODUCTION

Manufacturers spend valuable time designing, building, and launching market access programs in support of their products. They methodically plan their product distribution, determine the service scope of their support solutions, and ensure, to the best of their abilities, that their plans are well executed.

Yet issues arise, and manufacturers are caught by surprise. Why?

Despite all the planning and attempts to build effective measurement tools, many manufacturers do not truly know the health of their products' distribution and support programs. That lack of real-time awareness allows warning signs to be missed and limits the ability to be proactive in managing potential operational, strategic, and budgetary issues.

Knowing the health of market access programs requires more than a strong launch strategy and subsequent quarterly reviews of standard KPIs and general program insights. It requires a deeper dive into the programs to genuinely understand if stakeholders, vendors, and partners are executing against properly established business rules, effectively training the right staff, proactively monitoring the correct quality outputs, looking for opportunities to create efficiencies, and drawing insights from the voice of the customer.

Manufacturers often do not engage proactively in these telling exercises and thus don't know they

have a problem until it is too late – that is, until there is a service disruption or persistent negative customer feedback. Once the issues arise, it often requires significant resources, time, and money to fix the problems and repair any resultant negative perceptions in the marketplace.

The daily requirements of managing market access programs often makes it difficult to objectively inspect the programs. Annual assessments conducted by industry experts can help determine exactly where a program's health stands, what underlying gaps/issues exist, and what opportunities there are for potential improvements and strategic growth. These types of assessments differ from a traditional audit because the manufacturer partners with their service providers to ensure continuity versus pointing the blame at the other party for program problems. A small investment in this area can pay dividends later and can provide manufacturers with a plan to systematically manage and improve programs instead of reactively managing crises.

With the understanding that it is crucial to invest and prioritize in a true understanding of the health of the overall service model, the next step is determining how to go about developing a strategic plan. We have broken down the steps by some representative service delivery program types, including Specialty Pharmacy, Wholesale and Specialty Distribution, Third-Party Logistics, HUB and Patient Support Services, Performance and Quality Management, and Commercial Data Management.

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SPECIALTY PHARMACY (SP)

Understand the performance of current dispensing entities. Various stakeholders (patients, prescribers, payers, etc.) undoubtedly have expectations of SP partners. It is essential for manufacturers to understand if their SPs, which dispense medications and influence the patient experience, are meeting (or better yet exceeding) expectations.

Evaluate network design. Manufacturers often commercialize a specialty product in a limited SP network. Because the SP market has undergone significant changes over the past few years – new pharmacies have entered, pharmacies have consolidated, and service offerings continue to be enhanced – it may be the right time to ask if the SP network is right-sized for today's market.

Consider the role of payer-owned SPs. The evolution of the specialty pharmacy market has seen the creation of the very large payer owned SPs. With the right knowledge and approach, organizations can better understand how to partner with these organizations to build the best experience for patients and providers.

Embrace novel dispensing approaches and IDN pharmacies. As companies evaluate their SP network, it is critical to pay keen attention to the growing influence of Integrated Delivery Network (IDN) SPs. IDNs have made significant progress in recent years to provide the level of patient service seen by SPs and can present some distinct advantages for prescribers who work within the IDN. As plans evolve, IDNs deserve a careful look.

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WHOLESALE AND SPECIALTY DISTRIBUTION

Take a fresh look at distribution fees. Manufacturers have a responsibility to keep Fair Market Value assessments current. That data can be used to ensure existing fee structures with distributor partners align with Fair Market Value. Misalignment may be a signal that it's time to reevaluate Distribution Services Agreements.

Evaluate partner mix. The needs and goals of distribution networks shift over time. Manufacturers should ask if they still have the proper distribution network, or if it is time to consider expansion or contraction based on current dynamics within their business. New networks may help further company goals.

Confirm track-and-trace capabilities. Distribution partners must be able to accept or sell serialized product and verify the serialized number on saleable returns by 11/27/20. Manufacturers should understand how their partners are tracking towards full serialization in 2023.

Expand sales and marketing support. Manufacturers often work with distributors to better target marketing messages. Tools or resources may be offered by distributors to help manufacturers get more bang for their marketing buck or to target sales white spaces.

Maximize data reporting. An organization's data needs should match the data and information distribution partners are supplying. If that's not the case, alignment is needed. There may also be customized reporting that could help outside teams increase their efficiency within their own territories.

Pressure test new launch strategies and existing programs. What worked last time may not work this time. Organizations may need a fresh set of eyes to review launch plans and/or existing programs. As the market has evolved, so should launch and sales strategies.

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THIRD-PARTY LOGISTICS (3PL)

Evaluate distribution launch models. Even when biotech and pharmaceutical companies launch with a suitable 3PL plan, reevaluation is needed and expected over time. Manufacturers should be asking if the model they launched with is still the most effective strategy going forward.

Review order-to-cash effectiveness. Manufacturers should understand how well their 3PL collects their receivables. Are customers paying on time? It's vital to monitor deliverables and adjust SOPs throughout the life-cycle of a product to maximize 3PL relationships.

Refresh the transportation management approach. Evaluating all costs should always be a priority. As an example, shipping costs are often the highest line item on a 3PL invoice and should be examined regularly. Even minor adjustments can add up to significant budget savings.

Consider adding additional services. It is good practice for manufacturers to evaluate 3PL service offerings to ensure they are taking full advantage of the partnership, especially as the needs of organizations evolve. Perhaps there is an opportunity to streamline the supply chain by evaluating the 3PL to see if fulfillment of samples, literature, free goods, and API storage are efficient add-ons.

Don't overlook quality. What does quality look like for your 3PL partner? They may be actively enhancing their service offering with features like virtual distribution center tours and virtual Quality

Assurance audits. It is critical to understand how these new services are of benefit and that QA teams have access to the information they need.

Consider dedicated account management. What should account management look like for a specific product? There may be a need for dedicated resources or perhaps shared resources will suffice. Now can be a great time to evaluate and determine the most appropriate course forward.

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HUB AND PATIENT SUPPORT SERVICES

Define program priorities. An organization's goals and objectives should clearly define success. That may include many different parameters of program health, such as customer satisfaction, operational efficiency, speed to therapy, adherence, patient engagement, etc. Alignment around this vision will fuel program health.

Design and execute an assessment plan. Objective consultants can help determine a baseline of a program's health. This will require a deep dive across all functions of the program, assessing all vendor managers, contracted vendors, and any other stakeholders who provide support or execute services.

Analyze and assess results. Manufacturers can use assessments to gain a clear picture of where their programs are excelling, meeting expectations, or missing the mark. They may use this information to better understand gaps, risks, and opportunity areas, and how they can be closed or bridged to mitigate issues.

Develop and implement an action plan. Short-term goals should include remediation of any critical risks/gaps. Long-term goals involve drafting a roadmap for evolving a program, implementing efficiencies, and investigating innovative solutions.

Develop and implement measurement tools. It is essential to understand if interventions and design

enhancements are working and to check and monitor progress regularly.

Conduct assessments annually. Some industry-leading manufacturers conduct bi-annual program assessments to help them stay ahead of market trends and their competitors. Scheduling similar check-ins allows companies to grasp how their program has progressed and what new opportunities have arisen.

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PERFORMANCE & QUALITY MANAGEMENT FRAMEWORK

Remember that “what gets measured, gets managed.” Well-implemented Performance and Quality Management Frameworks can provide the visibility manufacturers need into how program vendors are performing. Measuring what matters provides a clear idea of what is reality, and helps companies make effective future decisions for their program.

Start by implementing a quality program that measures the right performance drivers. It is essential to focus on the services and processes in programs that matter and measure each diligently.

Determine what measurements are customer-impacting and focus on reimbursement and financial accuracy. 75% of customers expect consistent and reliable customer service when engaging with a brand.¹ Manufacturers will want to know how their program measures up against peers.

Ensure program business requirements, Standard Operating Procedures, and training content are documented. These should be aligned with the established performance drivers. And manufacturers should be able to review and collaborate with partners to revise these SOPs to ensure they continue to meet the needs of their products. Be wary when a vendor is reluctant to share the SOPs of their customer’s programs with their customer.

Create a program scorecard that monitors the performance drivers. Use the scorecard data to establish a Performance Management Framework

to support identifying corrective action plans and process improvement opportunities on a weekly and monthly basis.

Accurately monitor performance. Well designed and managed monitoring allows companies to identify:

- Gaps in processes or services that are customer, financial, and compliance impacting
- Areas where automated processes (mistake-proof, and fewer hand-offs) can be established
- Opportunities for meeting First Call Resolution metrics
- Creating new program service offerings

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¹ AnswerFirst 2/27/2018



DATA

Data strategies should align with the company's core business objectives. If they don't, companies spend unnecessarily for data that's not needed, create unintentional barriers to easy patient access, and ironically, they often overlook the collection of critical information required to optimally manage the business.

Establish one source of truth. When multiple sources report the same data to different business users, it can create data dissonance and often leads to a lack of trust in the data. If multiple sources are reporting the same/similar data, the data team must ensure reconciliation happens across the entire ecosystem before reporting.

Ensure that the data is "good." Appropriate validations /quality checks should be in place to ensure the data being reported is accurate.

Standardize data across the network. It is strongly encouraged to use a universal data exhibit template across the network where applicable. Standardization allows for the accurate comparison of one vendor's performance to the others in the network. This also allows for a cleaner review of Fair Market Value, performance scorecards, and Quarterly Business Reviews.

Hold data partners accountable. Are the necessary SLAs/KPIs in place to ensure complete, accurate, and timely data? It is imperative that data partners are

holding up their end of an agreement. Unfortunately, this is a common gap across pharma companies, and manufacturers lose visibility into whether or not the market access programs and services are being met.

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CONCLUSION

Patients are encouraged to get annual check-ups to assess their overall health, even when they're feeling fine. Similarly, assessing the health of market access programs allows manufacturers to feel confident that their programs are running as effectively and efficiently as possible. Giving a program a thorough check-up does not necessarily mean anything will need to change. Being proactive here means that companies can either rest assured in the stability of their programs or know they will proactively address any issues.

Companies who are unsure of the health of their overall program are not alone. Even when a program is already experiencing service disruptions, having service challenges, or receiving negative feedback from stakeholders, it's not too late to make positive changes that will systematically improve health and performance.



ABOUT ARCHBOW CONSULTING

Archbow Consulting helps pharma and biotech companies design, build, and optimize product distribution and patient access strategies. Archbow was founded by industry veterans to meet a need in the marketplace for consulting options that offer diverse real-world experience, are able to leverage deep connections across the industry, and can also provide actionable strategic guidance.

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