Technology Mini Summit

Marc Eigner & Ben Carmel
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Polaris
SOLUTIONS, LLC

About The Speakers

Marc Eigner
Partner

Marc heads Polaris' technology practice, and is a co-founder of Polaris Solutions. Marc is considered one of the leading experts in Pharma compliance technology, including HCP/HCO spend automation and aggregate spend systems. Marc has spoken at many conferences on these topics. Marc has helped grow Polaris' technology practice from a small team to one of the largest Pharma compliance focused technology groups in the industry.

Marc has personally supported over 50 pharmaceutical companies with their processes and systems for supporting HCP/HCO spend and aggregation.

Before joining Polaris, Marc worked in Accenture's technology practice, specializing in ERP implementations and Web technology. Early in his career, Marc worked for IBM. He has an MBA in IT Management, an MS in Computer and Systems Engineering, and a BS in Computer Engineering from Rensselaer Polytechnic Institute.

About The Speakers

Ben Carmel
Manager

Ben is a Manager in Polaris's technology practice and is the Firm's subject matter expert for aggregate spend technology solutions. This includes aggregate spend process re-engineering, system implementation, project management, business rule configuration and vendor coordination. Ben has over six years of consulting and project management experience assisting pharmaceutical and medical device companies with a variety of master data management and technology services. This project work has given him deep functional and technical experience with many of the key systems used in the life sciences industry including: aggregate spend technology, customer master, sales force automation, travel and expense, accounts payable, meeting logistics and custom built data warehousing, reporting, employee, roster and customer systems.

To leverage his background with end to end commercial systems, Ben's focus within Polaris is to provide technology and process perspective when developing aggregate spend and state law reporting solutions that ensure complete and accurate spend capture, data integration/grouping, and reporting. Prior to joining Polaris, Ben worked in Accenture's Life Sciences Technology practice, specializing in master data management and data integration. He holds a B.B.A with concentrations in Finance and Marketing from the University of Colorado at Boulder.

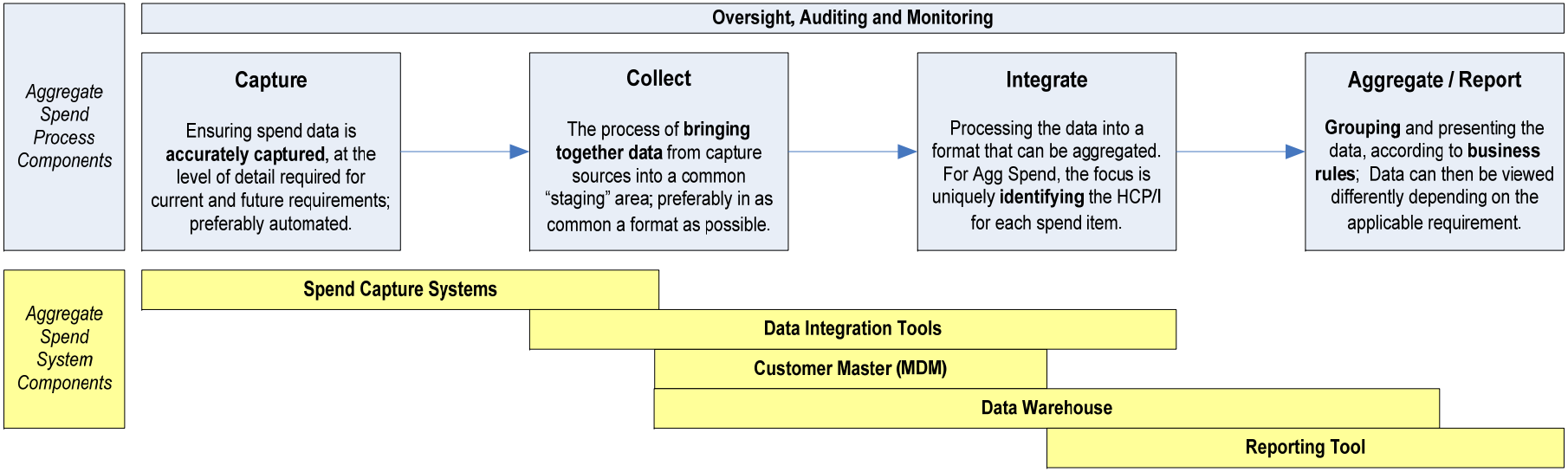
Objective

True aggregate spend comprises a proper mix of people, process and technology. Often the desire for a quick technology fix, focused on reporting overshadows the rest of the initiative.

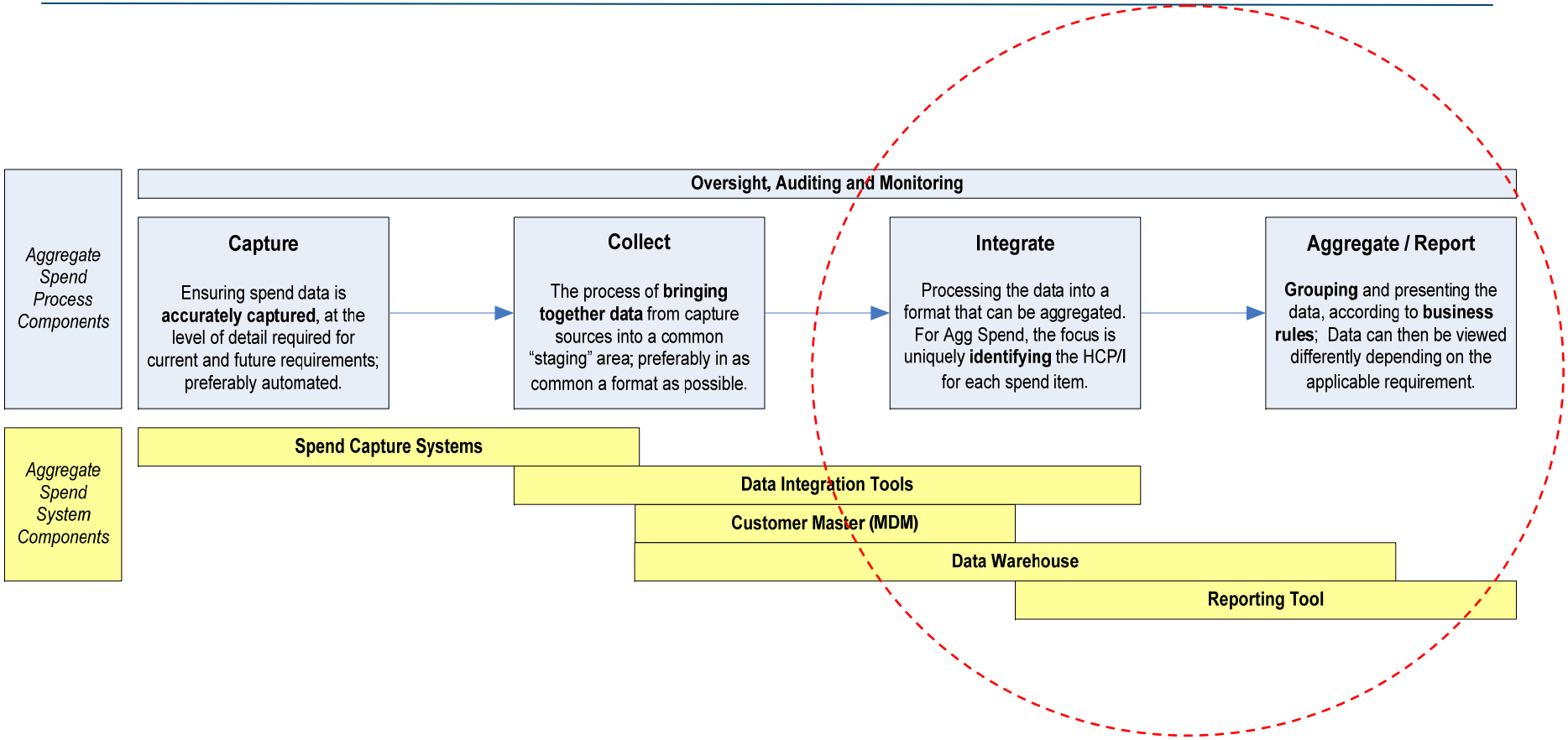
In reality, a reporting solution is only as good as the people and processes that capture the data required for aggregation and reporting. The key to a successful aggregate spend initiative is spend capture and collection.

This session seeks to review spend capture and collection methods and provide insight on how to best configure these systems and/or processes at your organization. Focus will also be given to the establishment of global spend capture and collection as regulation continues to expand outside the United States.

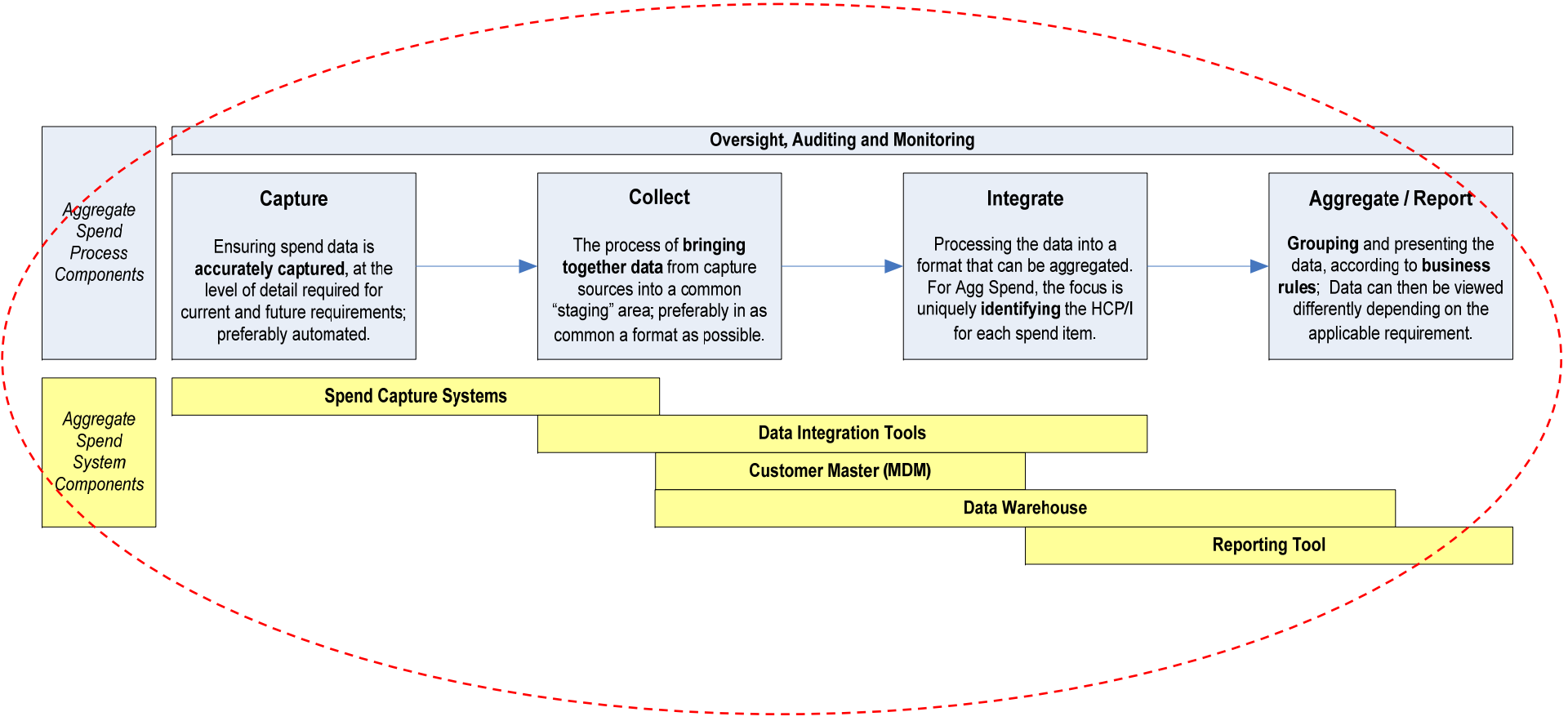
Elements of an Aggregate Spend Solution



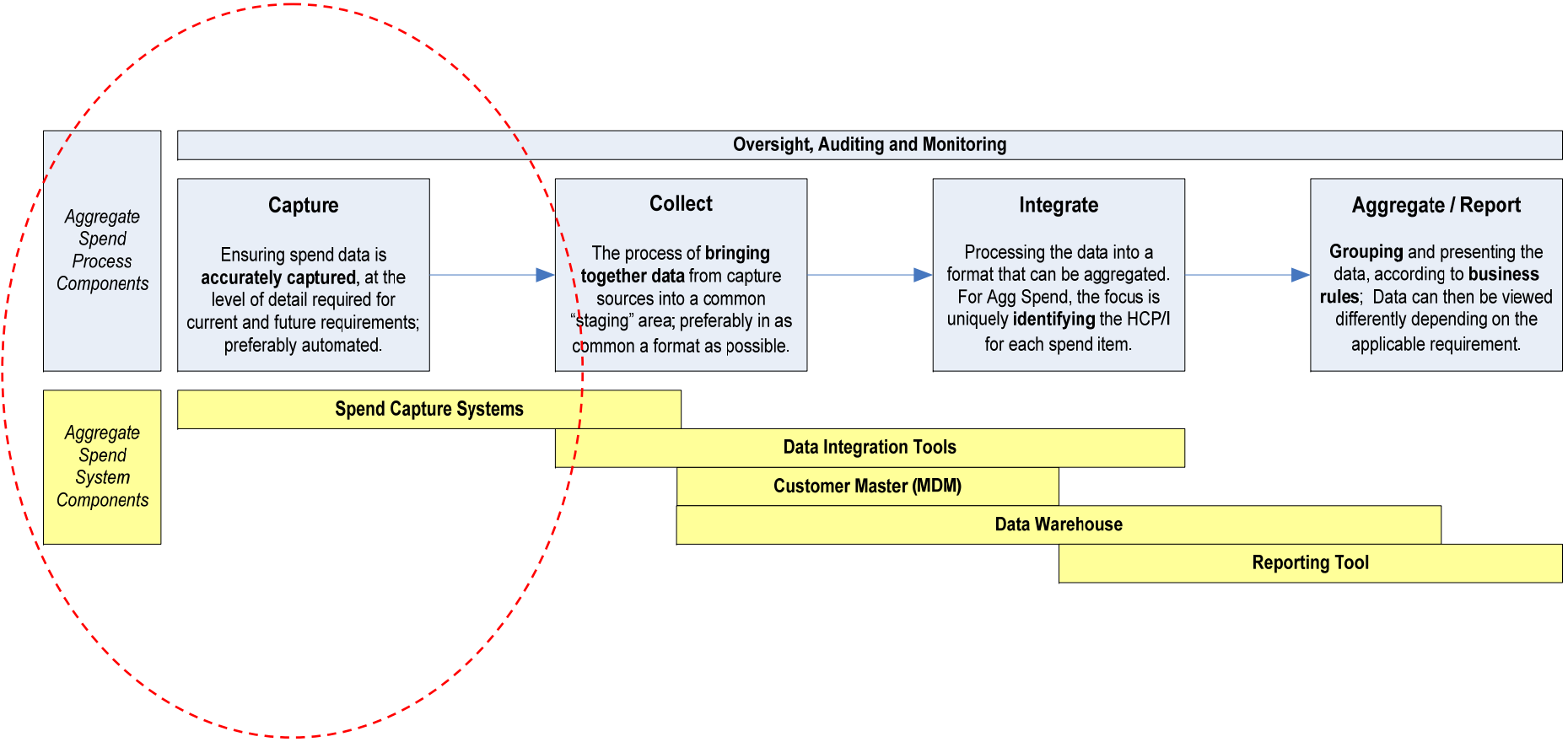
Aggregating and Reporting Initial Focus of Most Companies – Ensure Something is in Place for Sunshine



Advanced Implementations Include all Major Components- Capture, Collect/Integrate, Reporting and Audit



Today's Key Message: Spend Capture Is the Most Overlooked Yet Most Critical Piece of the Puzzle

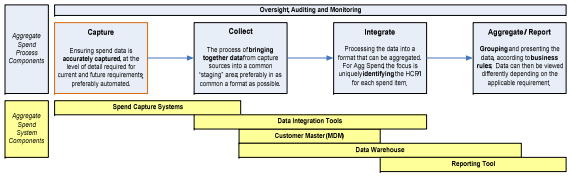


Interactive Activity 1

- **What are the top 3 most challenging HCP / HCO spend areas to capture within your organization?**

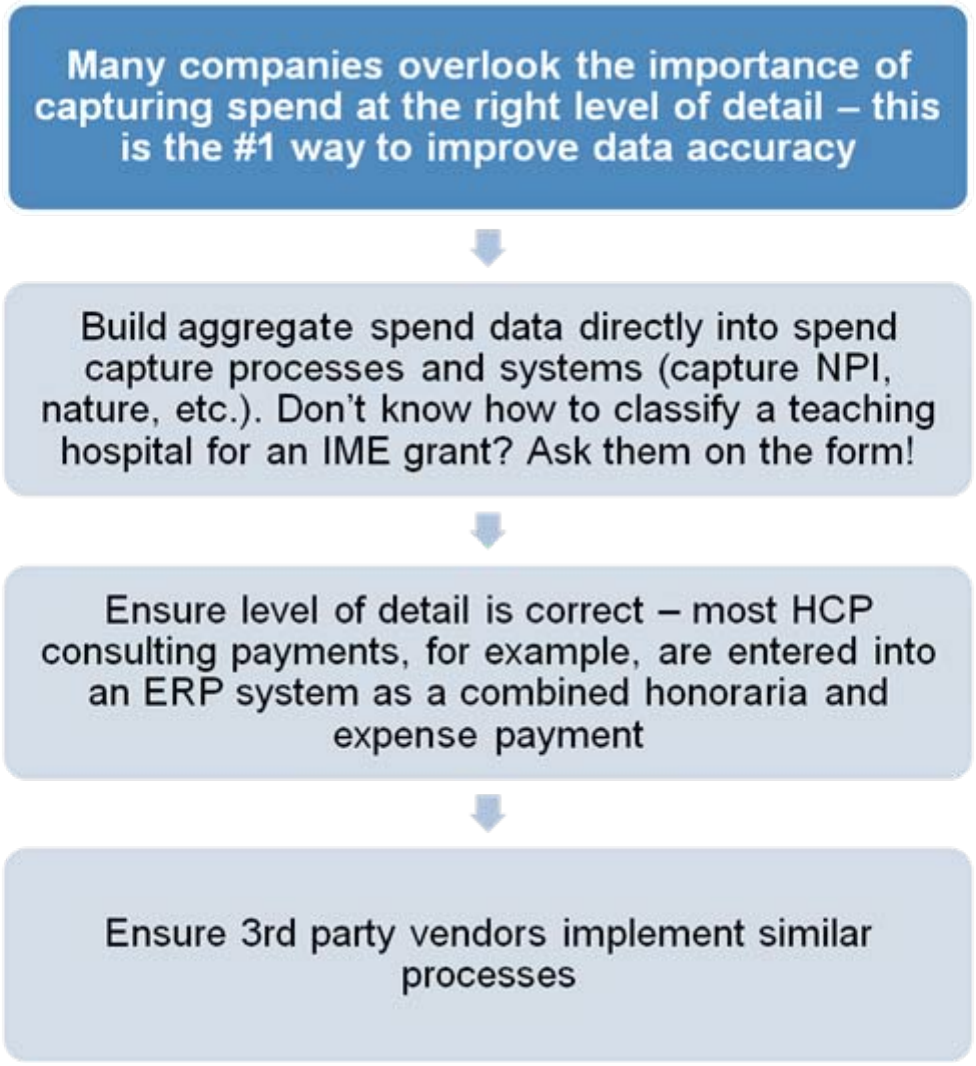
- **What are the top 3 challenges to enforcing changes in spend capture process and/or systems within your organization?**

Focusing on Spend Capture



- **Many companies overlook the importance of capturing spend at the right level of detail – this is the #1 way to improve data accuracy**
- **Many companies overlook the timing of spend capture – recording at or near time of spend improves accuracy significantly**
- **Enhancing spend capture processes also has the most 'side' benefits of any aggregate spend process. Potential for:**
    - Increased processing efficiency
    - Increased compliance
    - Ability to make better decisions
- **Distributes aggregate spend responsibility to the resources responsible for the spend – this turns out to be one of biggest challenges however, as it can be invasive to existing business processes**
- **Introduces a key concept in advanced accuracy – utilizing information directly from the HCP / HCO; both profile data and spend transaction data**

Suggested Actions for Improvement within Spend Capture



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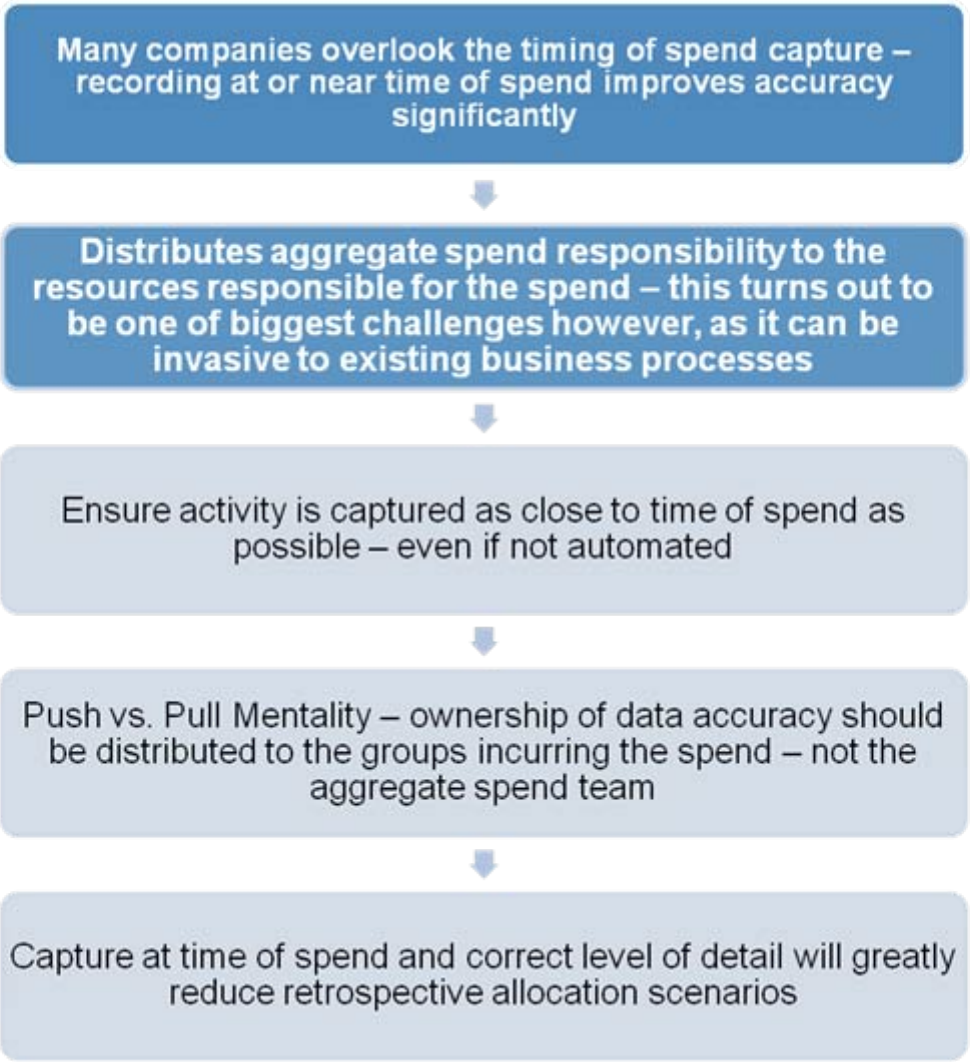

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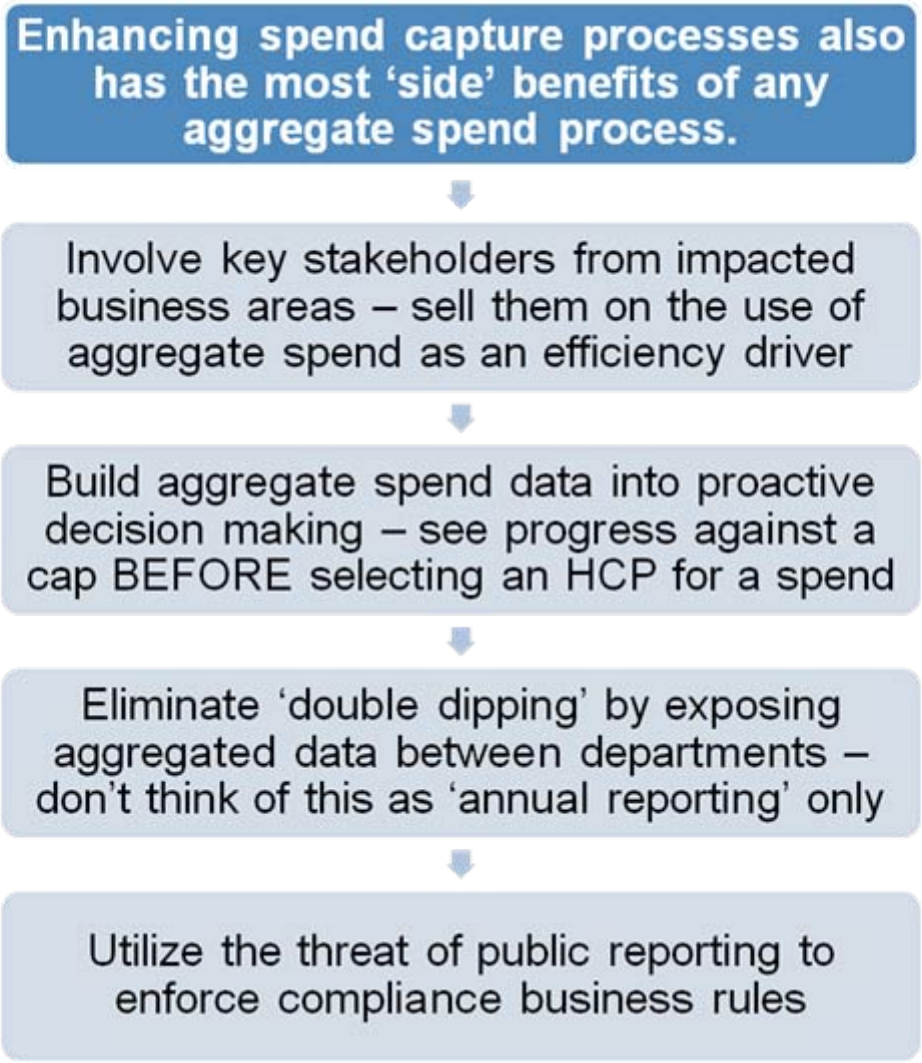

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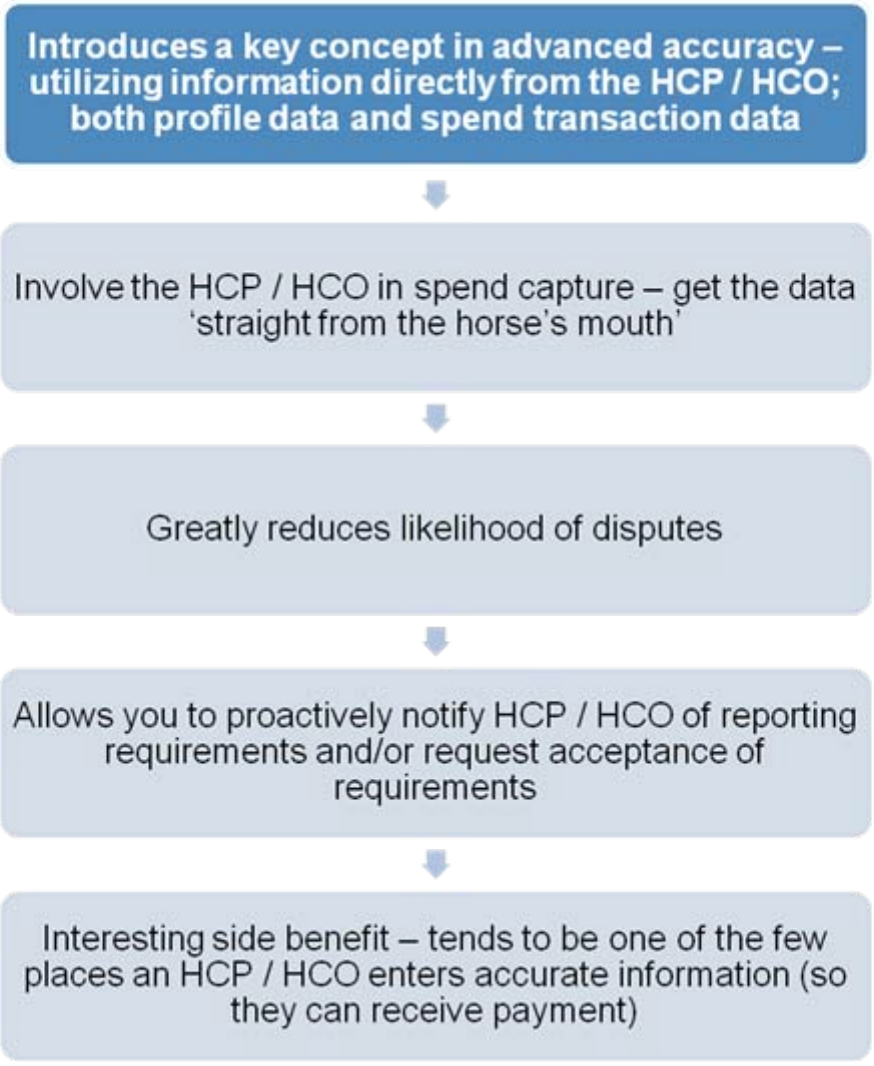


Given The Limitations Of An Activity's Lifecycle, Spend Capture May Be The Most Important Component Of Aggregate Spend

Benefits of Focusing on Spend Capture

- Ease of HCP and HCO identification
- Ability to seamlessly manage an activity across departments
- Ability to "bake in" compliant processes without overburdening the business owners and the field
- Ability to review activities as they occur and potentially prevent non-compliant payments from processing

Challenges of Focusing on Spend Capture

- Spend capture process requires dedicated resources and often implementation of an automated system
- Spend capture process requires business owners and field employees change certain behaviors
- Spend capture process can require changes over time, and thus it must be maintained
- Exhaustive reconciliation with financial systems can be challenging

Interactive Activity 2

- **What are your top 3 challenges in globalization of aggregate spend?**

Global Aggregate Spend Challenges

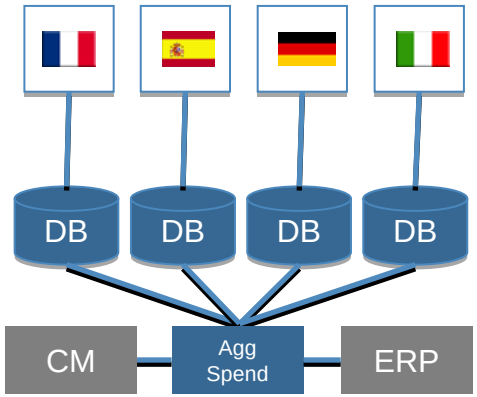
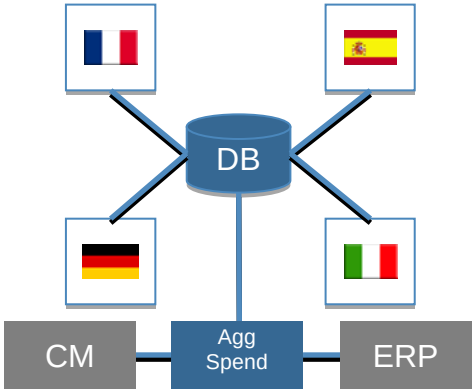
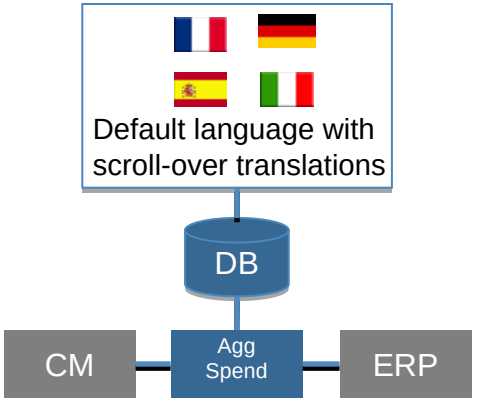
- **Some components may be global, such as ERP, CTMS, etc.**
- **Some components will be local to each country, or non-existent (T&E, grants, IIT, etc.)**
- **Direct payments to HCPs tend to be a gap globally (HCP consultants, R&D payments, etc.)**
- **Decision required: aggregate all spend by country, and then aggregate globally – or aggregate by spend type.**
    - While aggregating by spend type pushes for common systems and processes across countries, acceptance can be challenging (not to mention technical issues such as language, currency, etc.)
    - Most companies are considering hybrid options – one global system for certain spend types, in addition to country specific systems (and manual capture)

Global Aggregate Spend Considerations (Cont.)

- **MDM / Customer Master**
  - Global master?
  - No real regulatory need for data enrichment globally
  - Concept of Compliance Master

- **Where to store the data – EU (and other) Data Privacy concerns**

Sample Global Models

	Fully Distributed	Semi-Distributed	Single Instance
	• Unique codebase / database per country • Shared CM / SAP	• Unique front end for each country • Shared code / database / CM / SAP	• Unified front end for all countries • Shared code / database / CM / SAP
			
Key benefits	• Fully customized for each country (fields, workflows, etc.) • Minimal systems interdependence • Supports country-specific roll-outs	• Uniform processes / reporting capabilities while maintaining unique “look and feel” • Supports country-specific roll-outs • Lower cost to implement and maintain than “fully distributed”	• Uniform processes / reporting capabilities • Satisfies basic language requirements and easily supports future translation needs • Least costly option to implement and maintain
What to consider	• Potential for disparate processes / reporting capabilities • Increased time / cost for implementation and maintenance	• Consensus required on data-capture and process elements • Future customizations and system updates affect all countries	• May not achieve “ultimate” end-user experience • Consensus required on data-capture and process elements

Best Practices for Global Aggregate Spend Automation

- **Standardize definitions of spend types, for both scope clarification and reporting consistency**
- **Consider global MDM or customer master solution, keep scope limited**
- **Language: local languages are key for adherence and accuracy, but reporting should be standardized to a central language**
- **Currency: Allow tracking in local currency and aggregation in a central currency. Use as accurate a rate as possible, but this isn't they official system of record for the spend**
- **Consider rules around cross-border transactions – which country / system reports**
- **Don't forget data privacy – consent, disclosure, safe harbor, etc.**

Interactive Activity 3

- **What are your top 3 unanswered questions around the focus on spend capture and a move towards global spend capture?**

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