



Knowledge-Driven Organization Embraces Information, Use BI to Differentiate from Competitors

A key group of a major pharmaceutical firm that works with manufacturers to improve their product launches and expand their markets, ensuring that provider organizations receive the specialty products they need and give physicians the resources for their practices. This group, comprised of eight different divisions, has combined to lift the company to phenomenal heights. In fact, annual revenue for fiscal year 2005 exceeded \$7 billion. To maintain its position, this group must have readily available information that enables quick adaptation to ever-changing conditions in the marketplace.

Business Impact

The organization's CIO says that Enterprise Business Intelligence has become the "center of the universe" for this group. This is no more evident than when you visit the main page of their Web site: two words are repeated and have become the mantra for their employees in 2006, "Knowledge Driven". This case study discusses how the entire company has embraced information and is using it as a key differentiator.

In an industry where competition can win business based on price alone, the company is betting that being knowledge driven will separate them from competitors. All indicators are showing that the strategy is working. The EBI group has moved from a cost center to a profit center and data related services accounted over \$23 million in income in 2006. It is expected to continue to grow sharply in the next few years. A team of 11 people support over 1,000 users that include employees, customers and suppliers.

In the same way the heart pumps blood to all the vital parts of the body, the Enterprise Business Intelligence team provides critical data to all other systems in the organization. The team provides data to more than 8 internal functional systems. Table A lists the internal applications that support the business.

Table A:

Internal Supported Systems	
<u>System Function</u>	<u>System name</u>
CRM	OneSource
E-Commerce	Website
Logistics	Warehouse Dashboard
Finance	Gross Profit/Plan
Sales	Commissions
Rebate Analysis and Pricing	RAPP
Supply Chain	Logility, Item Snapshot
Collections	GetPaid

Below are just a few examples of how these Applications are using BI to impact the business:

Example 1: The Rebate Analysis and Pricing Program (RAPP) allows the group to launch pinpoint attacks on competitor's weak spots or prevent the competition from infiltrating the company's market share by countering with better pricing without compromising profitability. They can now react with price changes, customer rebate programs, or other incentives made possible with the supplier. In addition, they have rapid feedback of the actual results of the offensive and defensive decisions and can make quick course changes as required. One user stated, "This acceleration in availability will provide immeasurable value to our organization over the coming months and years."

Example 2: For the CRM system, the EBI team developed near real time data feeds to support key alert functionality required by the business. Members of the sales team now receive alerts when critical changes in purchase behavior occur, key accounts are placed on temporary credit hold, and when contracts were about to expiration.

Example 3: Perhaps the most compelling illustrations are not what the EBI team provides internally but the information provided to business partners. For its customers, it provides a Large Practice Program (LPP) website that enables customers to login and see their existing contracts, the contract price for each item, and the amount of purchases over time. The most valuable part of the site provides the practice with information that enables it to maximize its rebates by providing key information on how much is needed to achieve the next level of rebate benefits. This is expected to save the customers over **tens of thousands of dollars** a month.

Example 4: The company ships 90% of the products the same day its customer places an order. This type of response time requires close management of the orders being received, orders delivered, and the staffing requirements to meet deadlines. To manage this, the EBI team provides a Dashboard at each of the Distribution centers. A near real time Dashboard (15 min lag) projected on a screen in the warehouse provides visibility into the progress of the delivered orders. In addition, the dashboard shows individual performance of warehouse workforce. In one example, the lowest performing worker increased his productivity to become the best worker once the dashboard was displayed.

MATURITY

The critical nature of timely information intensified for the company going into 2005. Distributors typically made money from investment buying by purchasing large quantities of inventory from the pharmaceutical companies in anticipation of price increases and profiting when the price went up. In an effort to help better plan product output, the Manufacturers offered the distribution companies financial incentives to manage their inventories. This meant the company had to implement strict metrics to ensure compliance since a large portion of profits would be driven by the Manufacturer. To ensure the business could adapt to these changes, the EBI team performed a 6 month project (i.e. Phase 2) to re-architect and enhance the data warehouse environment. These enhancements included daily updates of financial data (that used to be a day behind), new naming standards, use of surrogate keys, and a clearly defined architecture for moving forward.

In parallel with Phase 2, the company strategized about the future of the EBI team and created a series of long term plans ensure they could provide value to the business. After a clear assessment of the Organization, Information Architecture, Technical Architecture, and Planning around the Data Warehouse Program, it embraced four tracks designed to create a highly adaptive environment. The four tracks included:

- Track 1: Business Intelligence – Established a plan to add tools to accommodate greater and more eclectic demands
- Track 2: Change Management - Setup process to stabilize warehouse and manage user expectations
- Track 3: Quality Assurance – Built improved QA checks to identify problems as soon as they occurred or about to occur
- Track 4: Staffing – Aligned resources to ensure all tasks were associated with prescribed tracks

Each Track included 4 primary goals. The goals of each track are highlighted below:

Goal	Track 1: BI Track	Track 2: Change Mgt Track	Track 3: Quality Assurance Track	Track 4: Staffing Track
1.	Satisfy usage requirements for different user types	Standardize Change Management Process	Linked to Business Processes	Improve probability of estimating work product output
2.	Improve Usability, Ease of Use, and Performance	Categorize Changes for improved management	Clear Process for Quality Resolution	Distribute work effort across the needed work components
3.	Become “Information Factory”...not “Report Factory”	Maintain code consistency across environments	Educate Users	Organize to make sure business value is delivered
4.	Provide access to both Structured/Unstructured Content	Define Engagement Model with users	Data Ownership by the Business	Increase specialization and, therefore, depth of experience

Results were immediate. Within a couple of months, users recognized improved communication, performance, stability, and reliability from the Data Warehouse. The combination of Phase 2 architecture improvements and long term planning established a solid foundation for the many new areas the data warehouse team would embrace in 2005 and onward.

RELEVANCE

Dictionary.com defines the word “Enterprise” as “*Willingness to undertake new ventures*”. Other companies can learn from the actions of this company by embracing the same willingness to seek out high value opportunities to use data as a competitive advantage. The EBI Team could have rejected other uses of the data and strictly focused on providing static reporting. Responses like “not in our scope” or “we don’t have the resources” are typical in many environments. In contrast, taking time to understand new opportunities helped the EBI team deliver to the business through new applications and data services offered to customers and suppliers. Management now sees the data warehouse as a critical component and has in turn increased the budget for the EBI team by **100%** over last year.

INNOVATION

At a sum of less than a terabytes’s worth of data and a single source, the perception of the company’s environment may be one of simplicity. It is by design that the environment has been simplified so that the team can continue to rapidly provide incremental value. The EBI team has measured its success not on the technology behind the solution but rather the end results of what it has offered to the business.

By working hand in hand with the business, the EBI team has ensured its success by delivering on high value projects. Ironically, the innovation behind its success is in that fact it has done so much with such a simple solution. The same “data” is being turned into different sets of information and is being used in many different ways.

We help manufacturers improve their product launches and expand their markets. We ensure that provider organizations receive the specialty products they need, when they need them most. We give physicians the resources that improve their practices and patients the medicines that improve their lives. None of this would be possible without the EBI team.

This company and its business partners rely on KnowledgeDriven services.