

Data-Driven Digital Transformation in Pharmaceutical Supply Chain

Accenture research indicates that for a \$10 billion pharmaceutical company, a partial digitization strategy enables upwards of \$387 million in cost takeout in the manufacturing and supply process.²

The 20 largest pharmaceutical companies all use Informatica to support business processes with Great Data.

Manufacturing and supply chain processes create a wealth of data. Traditionally, this data has remained in the business process silo that created it, limiting its ability to deliver value. The disruption to a pharmaceutical company's traditional business processes, especially the shift to **value-based pricing** for pharmaceutical products, is causing senior executives to require significant costs to be taken out of the supply chain. The ability to use data as a corporate asset is key to realize savings across the supply chain. A 2018 PAC survey showed that this strengthened focus on data as a corporate asset is driving an increased focus on data management. Eighty-four percent of surveyed senior managers and executives see data management as an important factor for their digital transformation.¹

Accenture research indicates that for a \$10 billion pharmaceutical company, a partial digitization strategy enables upwards of \$387 million in cost takeout in the manufacturing and supply process.² Sound data management processes are a must in order to realize these significant savings from digitization.

Increased collaboration with supply chain partners, and global increases in regulation and oversight **to secure the pharmaceutical supply chain**, also require the availability of trusted data. It is now widely recognized that success in the pharmaceutical industry is becoming ever more dependent on the ability to transform data into information. Many pharmaceutical companies already turn to Informatica to build a foundation of trusted data that can be used to support decision making across the enterprise.

Increased Collaboration

Pharmaceutical companies squeezed by healthcare providers and governments on pricing must pursue greater efficiency by eliminating bloat in the supply chain. One popular approach is to use contract manufacturing organizations (CMOs). Supporting the necessary collaboration across organizational boundaries requires pharmaceutical companies to provide trusted data that enables analysis of current processes and their associated cost levers.

¹ Why Data is the Fuel of Digital Transformation, PAC Germany, 2018

² Delivering at the Speed of Business: Digital Supply Networks in Life Sciences, Accenture Life Sciences, 2017

An Informatica customer increased efficiency by 7% by implementing virtual factories to increase the speed of decision making.

Publicis Health has found that the further a business is along the data maturity curve, the higher it fares on metrics such as market capitalization and shareholder returns.

Procurement is one area that benefits from the ready availability of trusted data. A leading pharmaceutical and healthcare products firm uses cost benefits measured in \$millions by understanding total purchasing done from each vendor globally. Informatica Master Data Management (MDM) created a single view of both customer and product. This foundation of trusted data also contributed to analytics that allowed inventory levels to be optimized, contributing to further cost savings.

Regulatory oversight of the supply chain is increasing in a bid to secure the pharmaceutical supply chain. Regulations such as Mass Serialization and ePedigree initiatives require pharmaceutical companies to break down traditional functional (and data) barriers to enable the tracking of products throughout the supply chain.

Leveraging Manufacturing Data

Industry 4.0 initiatives are increasing in strength, with many organizations looking to gain benefits by combining shop floor data with IT data. This does not necessarily require a large investment in the installation of additional sensors, or upgrading production equipment. Informatica's customers have been able to achieve significant savings simply by making better use of existing sources of data.

By combining shop floor and IT data, a global medical device company leveraged Informatica's data management technology to roll out virtual factories across the globe. These virtual factories increase the speed of decision making, contributing to a seven percent efficiency increase in the manufacturing process. WIP reduction, improved schedule attainment and a reduction in scrap all contributed to this efficiency increase.

Benefits expected from Industry 4.0 are frequently focused around the reduction of maintenance costs through predictive maintenance programs. Informatica has firsthand experience in understanding how a better view of assets can contribute to reducing downtime. An aircraft engine manufacturer relied on Informatica MDM to reduce downtime on its fleet of jet engines. In the pharmaceutical sector, in which production is dependent on multiple high-performance components, moving from standard maintenance practices to optimized analytics-driven approaches could yield similar benefits in terms of reducing downtime for valuable assets.

Summary

The pharmaceutical industry is being caught up in global digital disruption. In this new normal of data fueled transformation, the companies that succeed will be the ones that best manage, use, and share data. Pharmaceutical companies that enable their supply chain employees and business processes through a foundation of trusted data can realize significant cost savings through:

- Improved procurement contracts with suppliers
- Increased production efficiency
- More efficient collaboration with supply chain patterns

About Informatica

Digital transformation changes expectations: better service, faster delivery, with less cost. Businesses must transform to stay relevant and data holds the answers.

As the world's leader in Enterprise Cloud Data Management, we're prepared to help you intelligently lead—in any sector, category or niche. Informatica provides you with the foresight to become more agile, realize new growth opportunities or create new inventions. With 100% focus on everything data, we offer the versatility needed to succeed.

We invite you to explore all that Informatica has to offer—and unleash the power of data to drive your next intelligent disruption.

More importantly, trusted supply chain data will contribute directly to a more secure pharmaceutical supply chain – building trust in both individual brands, and the pharmaceutical industry.

Active management of data is no longer optional in pharmaceutical companies. The ability to rapidly deliver trusted data throughout an organization is now closely linked with corporate performance. Publicis Health has found that the further a business is along the data maturity curve, the higher it fares on metrics such as market capitalization and shareholder returns. Informatica's 100 percent focus on everything data means we have built the data management solutions you need to speed your journey on the data maturity curve.

Visit [Informatica.com](https://www.informatica.com) or contact your local sales representative to find out more about how our data management capabilities can contribute to increased supply chain efficiency.



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