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CUSTOMER PROFILE

Daiichi Sankyo Improves Efficiency, Effectiveness, Insight, and Compliance by Implementing Revitas Solution Suite in Support of U.S. Growth

Manufacturer achieves close-loop contracting by streamlining processes from contract development and authoring through rebate validation and processing

Who is Daiichi Sankyo?

The Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address the diversified, unmet medical needs of patients in both mature and emerging markets. While maintaining its portfolio of marketed pharmaceuticals for hypertension, hyperlipidemia, and bacterial infections, the Group is engaged in the development of treatments for thrombotic disorders and focused on the discovery of novel oncology and cardiovascular-metabolic therapies. Furthermore, the Daiichi Sankyo Group has created a "Hybrid Business Model," which responds emerging market needs, identifying opportunities to further serve patients and optimize growth.

The Challenge

Daiichi Sankyo Company, Limited is a global pharmaceutical manufacturer dedicated to the creation and supply of innovative pharmaceutical products to address the medical needs of patients in both mature and emerging markets. As business grew for its U.S. subsidiary, Daiichi Sankyo, Inc. , the company was faced with new contract and revenue management challenges. Maintaining effective management of contract requirements and accurate pricing execution are essential to achieving success while maintaining compliance with strict regulatory requirements.

Historically, the company used manual systems and processes for managing contracts and complex revenue scenarios that include rebates, chargebacks, and administrative fees. Contract progress was tracked in spreadsheets. This made it difficult to track progress. Pricing verifications were also executed manually, adding additional time to process payments. Over time, the processes had become inefficient.

Understanding that contracts are the foundation of business-to-business relationships, Daiichi Sankyo launched plans to implement a solution to improve contract management and a complementary solution to manage pricing and reimbursement activities. At the top of the list of concerns were implementing solutions for each buy- and sell- sides of the company, being able to access existing data from ERP systems, and finding integrated solutions for both contract management and revenue management. Ideally, Daiichi Sankyo preferred one solution for both contract management and revenue management.

Daiichi Sankyo found that Revitas was offered solutions to meet its requirements. Further, Revitas offered suitable solutions for both contract management and revenue management that would also serve both buy- and sell- sides. Plus, Revitas solutions integrate with external data from enterprise systems like ERP and CRM.

The Solution

Daiichi Sankyo selected a full suite implementation of Revitas solutions that includes Revitas Contract Manager, Revenue Manager, and Validata. In a phased rollout, the first solution implemented was Revitas Contract Manager.

Revitas Contract Manager automates the end-to-end contract lifecycle, with capabilities for authoring, approvals, workflows, repository, templates, amendments, and renewals. Revitas Contract Manager was found to be intuitive enough to be used by both buy- and sell- side employees and was implemented across both sides of the business. This simplified the scope for the IT department and helped keep the cost of implementation down.

Daiichi Sankyo rolled out Revitas Contract Manager enterprise-wide throughout the U.S. After the first year and a half of deployment, the company was managing more than 70 contractual relationships within the system. Taking into consideration amendments and renewals, the number of total agreements managed in the application numbers well into the hundreds. The company has been actively and successfully using all functionality contained within Revitas Contract Manager.

For Daiichi Sankyo, integration across contract, revenue, and compliance management applications was critical. Revitas was able to provide a complete, one-stop solution that met the company's needs. Integration with existing systems was also a major concern. Daiichi data in its ERP system in the new revenue
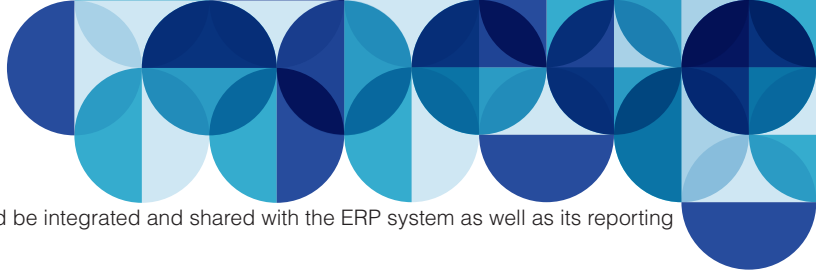
management system and ensure that data created in Revitas applications could be integrated and shared with the ERP system as well as its reporting system.

After deploying Revitas Contract Manager, the contract operations teams prepared for the completion of the suite. Once all agreements were live in the contract management system, the company was ready for the fully integrated deployment of Revitas Revenue Manager and Validata. The integration among Revitas applications and with external systems is powered by Flex – a standards-based, scalable, technology platform that provides the foundation for agreements to be managed holistically across the organization.

Revitas Revenue Manager automates Daiichi Sankyo's pricing and reimbursement processes. The system defines, manages, and executes complex pricing terms and scenarios, and automates claims validation and product eligibility.
Supplemental module Revitas Validata enables Daiichi Sankyo to further validate the pricing data within Revitas Revenue Manager and ensure that all claims and actions are processed correctly.

The Solution

At Daiichi Sankyo, contracting processes have been streamlined and contracting teams are more efficient. Instead of having a gatekeeper manually keeping the workflow moving, automated workflows within Revitas Contract Manager trigger each step through authoring, approvals, and execution. The gatekeeper is now monitoring the process rather than actively pushing it along, relieving the burden on staff resources significantly.

Using Revitas Contract Manager, Daiichi Sankyo has gained significant insight into its contracting processes. The system has enabled the company to identify process bottlenecks. Contract teams can point to weak links in processes and are able to address issues. Revitas Contract Manager enables the collaborative groups to have fact-based discussions about them derived from automated tracking of processes. This has made contracting processes more efficient and sped contract approvals.

Daiichi Sankyo has created a wealth of new, actionable data in Revitas Contract Manager. This new data helps to bring insight not only into contracting functions within the company, but into performance of its agreements and effectiveness of its B2B relationships.

In order to maximize the availability of the newly available data, and given the decreased burden on administrative contracting functions, Daiichi Sankyo was able to transition employees out of more clerical roles into more strategic positions. Ultimately, this makes better use of the company's available staffing resources – fewer resources are spent on tasks that are now automated and more investment is being made in strategic functions that will bring significant business insight and help to improve contract performance over time.

The pricing terms from contracts are fed from Revitas Contract Manager directly into Revitas Revenue Manager. Using Revitas Revenue Manager, Daiichi Sankyo is optimizing pricing and reimbursement management at each point of the distribution chain to ensure accurate payments.

Revenue management and execution processes have been fully automated with workflows for submissions, adjudications, and settlements. Transactions are processed more quickly and accurately, relieving burden on staff resources.

Revitas Validata processes, validates, and analyzes prescription level data from managed care trading partners – performing 56 validations at script level. Using Revitas Validata, Daiichi Sankyo automates the import, validation, summarization, and analysis of prescription rebate data and identifies duplicate submissions – reducing the instance of inaccurate payments.

The Future

The full suite of Revitas applications has enhanced many of the company's contract management processes. The integration between systems for contract, revenue, and compliance management has enabled close-loop contracting – streamlining and automating processes from initial contract phases through reimbursement processing and payment. Daiichi Sankyo has significantly improved business processes and reduced operating costs while improving business insight. Long-term use of the full Revitas suite is expected to ensure consistent, accurate payments over time.