



Pfizer Implements Integrated Contracting to Bring Speed, Agility, Visibility, and Performance

“The implementation of Revitas solutions across our business divisions and functions has optimized all contract-related functions at Pfizer. Leveraging Revitas solutions to manage and process the highest data volumes in the industry enables us to streamline processes and reduce unnecessary risks so that we can focus on what matters most - providing quality medicine and health care to people across the globe.

- Mack MacKenzie
Senior Director of Trade
and Revenue Management

In the pharmaceutical industry, large manufacturers must manage successful contractual relationships while accurately executing pricing and reimbursement processes and maintaining compliance with strict government requirements. Developing a systematic, integrated approach to contract and revenue management is key. But high volumes of data combined with the complexity presented by chargeback and rebate structures present big challenges.

Few manufacturers understand this more than Pfizer. To manage its high volumes of transactional chargeback and rebate data, the company implemented Revenue Manager several years ago, a full-scale pricing engine from Revitas. But in 2010, a large-scale integration with two other companies introduced new applications from different vendors and multiple data sources into the picture. The lack of uniformity was causing problems – inconsistency in performance results among business divisions and data that produced multiple versions of the same data sets.

To solve these problems, Pfizer launched an internal program to drive and oversee the implementation of one system for revenue management driven by a single, strategic technology platform. The team selected Revitas as the provider of its entire solution which would span multiple business divisions and functions.



The Revitas solution includes:

- Installation of the Flex platform, which enables and powers the entire Revitas implementation
- Upgrade to Revitas Revenue Manager within Pfizer's Managed Care group for contract setup and to manage, process, and execute high volumes of rebates
- Revitas Master Data Management for data consolidation and management for the three merged companies
- Revitas Revenue Manager for all newly merged branded and generics businesses
- Revitas Government Pricing to maintain compliance with government program requirements

Pfizer has experienced significant improvements in revenue management processes and outcomes. The system has effectively given the company full and consistent views of data across the organization to enable better decision-making.

Furthermore, speed of processing has improved exponentially, drastically reducing the burden on administrative staff and resources. Revenue leakage and compliance risks are dramatically reduced. Pfizer is the first manufacturer in the industry to launch a full-scale, company-wide contracting system that integrates government pricing functionality with all contracting-related functions.

Large-Scale Merger Introduces Challenges in Data Management and Transaction Processing

In 2010, industry-leading pharmaceutical manufacturer Pfizer was amidst an integration of Wyeth Pharmaceuticals and King Pharmaceuticals. As the companies merged, they were contending with a wealth of data and information related to contracts, chargebacks, and rebates. But the companies and their various divisions and departments were using solutions from multiple versions of the same applications for these processes.

The use of older versions of applications or applications from different vendors creates a problem when the data is presented differently, or data from one application may not be as detailed as another. Keeping up with multiple applications would be a burden on Pfizer – both from an operational perspective and a performance outcomes perspective.

The company faced increased costs and an administrative burden on staff. Plus, the situation posed increased risk for errors to be made. Inconsistent data and processes can result in mistakes, delays, unexpected outcomes, and inaccurate reports. What may seem like small errors have the potential to snowball over time.

About Pfizer

Pfizer applies science and its global resources to bring therapies to people that extend and significantly improve their lives. The Company strives to set the standard for quality, safety and value in the discovery, development and manufacture of health care products.

The Company's global portfolio includes medicines and vaccines as well as many of the world's best-known consumer health care products. Every day, Pfizer colleagues work across developed and emerging markets to advance wellness, prevention, treatments and cures that challenge the most feared diseases of our time.

Consistent with the Company's responsibility as one of the world's premier innovative biopharmaceutical companies, the organization collaborates with health care providers, governments and local communities to support and expand access to reliable, affordable health care around the world.

For more than 150 years, Pfizer has worked to make a difference for all who rely on the Company. To learn more, please visit www.pfizer.com.



Too Much to Ask? A Solution that Delivers Visibility, Efficiency, Scalability, and Improved Outcomes

To consolidate the entire organization onto one solution suite, Pfizer launched the PACE Program – Pfizer Achieving Commercial Excellence – an internal program dedicated to selecting, implementing, and rolling out the internal solutions for contract, chargeback, rebate, and master data management across all lines of business – including branded, generic, and managed care.

Over time, this would decrease operating costs and create consistent, predictable outcomes. The primary goals of the program.

- Establish visibility across all business functions through in-depth analytics
- Consolidate all chargeback and rebate data
- Efficiently process the largest volumes in the industry
- Ensure scalability for growth or any future changes to the business

Pfizer selected the Revitas suite powered by the Flex platform as its solution. Pfizer had a long history of success with Revitas solutions for many business functions and several businesses acquired as part of the merger were also using Revitas. Revitas has the largest footprint in the contracting and government pricing space in the industry and would be able to meet and exceed the basic requirements set forth by the PACE Program.

Revitas Flex is a strategic technology platform that drives and enables all Revitas applications, providing interoperability between systems, functions, and third-party systems like ERP. It provides the framework for every implementation across Pfizer and enables high-performance, integrated operation of multiple enterprise applications in the Revitas suite across the entire organization.



Step-by-Step: The Phases of Implementation

Phase One: The Platform

The implementation would be rolled out in phases. The first phase saw the initial implementation of the Flex platform, and the first step was an upgrade of Pfizer's Managed Care group's existing Revenue Manager system to the latest version of Revitas Revenue Manager on the Flex platform. Completed in 2011, the system has introduced improvements that have streamlined contract setup and rebate processing, including a highly customizable user interface that enhances application usability. The additional reporting capabilities in the upgraded version provide the business with enhanced operations and strategic analysis.

Phase Two: Data Management

Phase 2 addressed data consolidation. Pfizer was working with the highest volumes of data in the industry from three merged companies. Revitas Master Data Management consolidated all of its data across all contracting and pricing areas of the business onto the one, single Flex platform. The system drives consistency, simplification, and compliance for all transactional processing and all business reporting. It is a key enabler for the integration with ERP and set the stage for additions or upgrades to the Revitas suite.

Phase Three: Chargebacks and Rebates

The third phase consolidated all legacy chargeback and rebate applications for the Branded and Greenstone (generics) businesses – some of which were from different vendors – and transitioning them onto Revitas Revenue Manager, the largest and most complex rollout of the suite. Revitas Revenue Manager provides scalability, improves responsiveness to changing government requirements, and enhances the ability for Pfizer to satisfy industry compliance requirements and compliance reporting.

Phase Four: Compliance

In the 4th and final phase, Pfizer implemented Revitas Government Pricing to manage government compliance requirements. Pfizer is the first organization to implement a fully consolidated solution for government pricing that is completely integrated with all contracting functions – an integration enabled by the Flex platform.

What Does the Future Hold?

Post-implementation, all business processes and data related to contracts and revenue management are executed via the Revitas Flex platform. The consistency, accuracy, and visibility created by the integrated Revitas solution drives efficiency, streamlines processes, and enhances overall business performance. As efficiency is improved through expanded use of the Revitas applications, Pfizer expects to see a continued decrease in operating costs.

Over time, Pfizer has been able to gather feedback from users and stakeholders about the solution's ability to drive better revenue management performance, compliance, and reporting. As Pfizer plans to kick off a data archiving project, the company is easily able to tweak processes and enhance customizations to suit the needs of users and the organization as a whole.



In Depth: Pfizer Phase One - Technology Platform

Revitas Flex: Laying the Groundwork for the Full-Scale Implementation

The first phase of implementation was for the Managed Care group. Pfizer's Managed Care group had already been using Revenue Manager for the management of contract rebate processing. This phase implemented the flexible, scalable Flex platform that would provide the foundation for the entire company-wide Revitas suite implementation and also enabled the upgrade for Managed Care from the older, classic version of Revenue Manager to Revitas Revenue Manager.

The PACE Program completed the Managed Care group's upgrade and implementation of Revitas Revenue Manager powered by Flex in October 2011. Revitas Revenue Manager is a dynamic pricing execution engine for defining and managing high volumes of pricing incentives like chargebacks and rebates and other administrative fees.

Big Data Migration

The implementation entailed the migration of more than 1.1 billion rows of Managed Care data from the classic Revenue Manager application to the new version on the Flex platform. In tandem, Pfizer installed new servers and storage to support the Revitas system operation and data in its existing technology environment. Pfizer also worked with Revitas to customize several interfaces and dozens of reports to fully tailor the system to meet their business needs.

Robust Functionality of Flex Ensures Maximum Results

The upgraded version provides improved automation and performance to better streamline initial contract setup and rebate processing. The system established a highly customizable user interface that will enhance application usability. It also includes robust new reporting and analytics functionality, which provide the business with enhanced operations and strategic analysis.

The Flex platform provides seamless integration of legacy Wyeth and King contracting data across multiple channels.

Pfizer also integrated partner technologies to align with company standards in other areas of business, like Finance, and to easily accommodate the system and its data for growth.

Flex is the only platform built to enable high system performance with few issues or interruptions while supporting the industry's largest transactional and historical data volumes. Critical reports are reduced to taking just a few hours or less to process, meaning they will be available the same day. Flex offers functionality to minimize performance impact to accommodate more critical functions. For example, users across business functions will access various parts of the system via different infrastructure, minimizing performance impact on the platform. Chargebacks and rebates can be processed in a nightly batch, making data from one day available the following day and minimizing impact during business hours. Faster processing relieves burden on staff and reduces operating costs significantly.

Faster is Better

Rebate processing has improved significantly with the upgrade to the Flex platform:

- Rebate submission authorization times are up to 7 times faster
- Rebate submission acceptance times have seen continual, progressive improvement with the new implementation and are 8.4 times faster

Up Next

This first-phase implementation completely laid the framework within Pfizer for additional Revitas Flex platform application releases. Flex provides Pfizer's business teams with feature-rich and flexible contracting applications that support the business objectives of the Managed Care team and the company as a whole. The system's state-of-the-art engineering enables a world-class platform to support Pfizer's entire business today and in the future.



In Depth: Pfizer Phase Two - Data Management

Consolidating Multiple Data Sources to Achieve One Version of the Truth

Amidst a major integration of Wyeth Pharmaceuticals and King Pharmaceuticals, Pfizer was working with – and still works with – some of the highest volumes of data in the industry, from three merged companies, totaling 7 different sources of disparate data. All of this data was driven by different business processes and regulatory interpretations, resulting in different data, reports, and outcomes across the company. As a result, it was difficult to keep everything straight or to make uniform assessments about the current state of the business or predictions for the future.

Defining the Approach to Data Management

Pfizer consolidated all of its master data across all contracting and pricing areas of the business onto one single platform – Revitas Flex – via Revitas Master Data Management. By consolidating all data related to contracts and pricing within the company, the system drives consistency, simplification, and compliance for all transactional processing and all business reporting.

Leveraging Master Data Management, Pfizer converted all data from the Branded and Greenstone (generics) businesses prior to installing Revitas Revenue Manager for those teams. This allows for a stabilization period and will ease implementation process down in subsequent phases, as all data is completely ready for import into newly launched systems.

How Revitas Data Management Benefits the Organization

- Creates a single repository for data from each source and enables contract optimization
- Consolidates multiple contract accounts to a single account for ease of maintenance and processing
- Automates existing manual processes
- Leverages custom validations and interfaces to validate data
- Simplifies and expedites processes for employees
Saves operations costs and project costs because fewer systems are being maintained

Massive Data Collection

Multiple data types from multiple sources were converted and consolidated, including:

- 48,000 Products
- 189,000 Prices
- 195,000 Customers
- 550,000 Membership Records

An Essential Component to Success

The implementation of Revitas Master Data Management set the stage for additional upgrades and rollouts of Revitas applications in various business areas, including Chargebacks, Greenstone (generics), Government Pricing, and Medicaid. Phase Two also included an application upgrade to the Revitas Revenue Manager system for the Manage Care business team, which will speed and improve contract setup and rebate processing functionality.

This milestone is also a key enabler for Pfizer's planned integration between Revitas applications and its ERP system by providing a consolidated foundation of data across internal Pfizer systems. The implementation was completed ahead of schedule, allowing for a stabilization period for the company before rolling out new large-scale implementations.



In Depth: Pfizer Phase Three - Chargebacks and Rebates

Automating Chargeback and Rebate Management and Execution to Improve Processes and Reduce Risk of Revenue Leakage

In support of the company's strategy to create one common integrated platform that supports one set of policies and processes across all contracting areas, Pfizer planned to consolidate multiple legacy revenue management solutions – some which were older versions of Revenue Manager and some from different vendors – onto one solution, Revitas Revenue Manager powered by the Flex platform.

Revitas Revenue Manager: A Transformation for Pfizer

Increased Scalability

Revitas Revenue Manager provides scalability to support large volumes of data and increases in data volumes –already processing billions of lines of data annually. It improves responsiveness to ever-changing government requirements, and enhances the capability for Pfizer to satisfy industry compliance requirements and compliance reporting

Improved Processes

Revitas Revenue Manager has improved business processes and performance significantly throughout the company. Chargeback errors have been significantly reduced through use of autocorrect functionality and rebating has been improved with use of the rebate calculation engine. Automated eligibility and streamlined manual membership processes further improve accuracy of payments with minimal effort and little risk of error.

Enhanced Visibility

Throughout the company, Revitas Revenue Manager delivers increased visibility across businesses and distribution channels and provides critical decision support for go-to-market strategies. Improvements in analytics enable the company to optimize revenue and margin opportunities with better, more reliable reporting capabilities for both operational and strategic analysis.

Integration and Usability

Users have experienced improvements in overall usability through a web-based user interface. Furthermore, by implementing the fully consolidated and integrated Revitas Revenue Manager, Pfizer has eliminated the need for multiple systems in different businesses or business functions and enables easier ongoing maintenance. This deployment is also the critical enabler for full-scale integration with the ERP system.

This company-wide rollout of Revitas Revenue Manager has been a major achievement and milestone in the industry, further solidifying Pfizer's position as a leader in the pharmaceutical industry. Pfizer is the first manufacturer to implement a consolidated revenue management solutions across all contracting-related business functions.

Highest Volumes in the Industry Processed Quickly and Accurately

Converted and deployed 789 contracts into Revitas Revenue Manager:

- 196 Pfizer contracts
- 270 Wyeth contracts
- 323 Greenstone contracts

Processes billions of dollars in chargeback and rebate payments annually.

Accepts 120,000 chargeback submission lines per hour on average.

Rebate acceptance times have improved 8-fold since upgrade to the Flex-enabled Revitas Revenue Manager.



In Depth: Pfizer Phase Four - Government Compliance

Simplifying Government Pricing Program Compliance Processes and Reporting

In the fourth and final phase, Pfizer's PACE Program implemented Revitas Government Pricing on the Flex platform. Pfizer consolidated multiple legacy government pricing solutions and technologies onto one common platform across all of its businesses. Pfizer is the first pharmaceutical manufacturer to implement such a solution for government pricing that integrated with all contracting-related business functions.

Customized Solution Addresses Unique Needs

A compliance module that is supplemental to and integrated with Revitas Revenue Manager, Revitas Government Pricing enables Pfizer to ensure accuracy of pricing, establish compliance with government drug program requirements, and create comprehensive reports to effectively prove compliance. During implementation, Pfizer customized several user interfaces and reports to meet specific business needs.

The system is fully scalable to accommodate the industry's largest data volumes resulting from the integration of Pfizer, Wyeth, and King. It ensures efficient operations by leveraging dedicated hardware that supports multiple, simultaneous calculations and enabling simple, error-free exchange of data between business environments.

Revitas Government Pricing: Delivering Immediate Benefits

Compliance Efforts are Simplified

Revitas Revenue Manager provides scalability to support large volumes of data and increases in data volumes –already processing billions of lines of data annually. It improves responsiveness to ever-changing government requirements, and enhances the capability for Pfizer to satisfy industry compliance requirements and compliance reporting.

Administrative Processes are More Efficient

It is easier for users to navigate one single system; therefore employees are more productive. Once-manual processes have been automated, speeding administrative tasks and reducing costs.

Business Performance is Improved

It also supports any changing business requirements of an evolving customer base. Plus, it handles the industry's largest volumes of transactions - able to manage, calculate, and submit accurate pricing to agencies across 1600+ NDCs.

Adaptability is Ensured

The system is inherently flexible, and Pfizer will be able to respond more easily to potential changes in government requirements. With the existing shifting regulatory environment — due to the Affordable Care Act — this is more critical now than ever.

The implementation of Government Pricing has culminated the multi-phase rollout of Revitas throughout the organization, fully consolidating all three merged companies and lines of business onto one single platform. The Flex platform brings higher performance, scalability, and improved usability to all of Pfizer's contract-related business functions.

Easier and Faster than Ever to Meet Reporting Requirements

- Nightly batch processing enables Revenue Manager data to be viewed at the start of the following business day
- Monthly AMP calculations returned in 4.5 hours for same-day viewing
- NFAMP and BP price calculations run in under 3 hours
- Price calculations for new products are completed in less than 15 minutes



The Revitas Difference

For life sciences organizations, only Revitas helps to:

- Accelerate revenue
- Lower costs
- Support compliance initiatives
- Provide actionable intelligence
- Improve partner engagement

Because only Revitas delivers:

- Enterprise-class solutions that channel and contract lifecycle management to meet the needs of life sciences businesses
- A secure technology platform that seamlessly scales to accommodate the industry's highest transaction volumes and most complex channel structures
- A world-class professional services and partner ecosystem
- 25+ years experience implementing best practice channel and contract management solutions