



# Keep your business and revenue processes on the cutting edge

4 compelling reasons for transitioning to Model N SaaS

Model **N**

WHITE PAPER

Keeping up with increased competition and regulatory demands requires agility, but outdated installations can cause your organization to run idle. And ultimately that means you can't gain a competitive advantage by adapting to new or increasing requirements or reducing investments in time or money.

Through SaaS delivery of your revenue management platform, you can realize substantial benefits that enable your business to thrive in this dynamic environment.



**Better business agility**

Capitalize on innovation and integrate new acquisitions.



**Improved compliance**

Adapt to ever-changing regulatory requirements and reduce risk.



**Less business disruption**

Eliminate the need for large upgrades and customization requirements.

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Model N SaaS gives you all the functionality of the Model N revenue management platform available today – plus the capability to rapidly capitalize on new functionality and solutions. Because it’s delivered on our world-class cloud that’s powered by Amazon Web Services (AWS), Model N SaaS features automated cloud deployment technology that enables us to update your software on an ongoing basis and quickly provision environments based on your needs.

We handle all the performance and environment management, so you don’t have to worry about maintaining hardware or guarding against technology obsolescence.

**This white paper outlines the top four benefits your company could realize by transitioning to Model N SaaS.**

### About Model N SaaS



**Robust security** and SOC 1 and SOC 2 compliance

**1/3**

Used by 1/3 of all Model N **life sciences customers**



**Powered by AWS**



Next-generation **automated testing** practices

**99.95%**

**availability and uptime** (99.8% committed service-level agreement)

## Support business innovation.

The life sciences industry faces increased pressure from new regulations, fierce competition, and growing demands for price reductions and transparency. Success today means you must be able to quickly respond to these industry and market changes.

By allowing Model N to manage the routine, day-to-day maintenance of your revenue management platform, IT can focus on supporting the business in more strategic ways – capitalizing on opportunities for innovation and maximizing their skills.

Additionally, should a merger or acquisition occur, Model N SaaS reduces complexity surrounding the integration of systems that often result in temporary workarounds. This not only reduces initial costs, but it also allows your company to quickly realize acquisition synergies and avoid revenue leakage.

At Model N, we make significant investments in product innovation and regularly offer new features and functionality that help customers reduce revenue leakage, streamline processes, and improve compliance. With Model N SaaS, you can frequently add new features and modules – without major upgrades or customizations – so your organization can capture more revenue.

“*Technology is a core driver of value, not merely a support function.*”<sup>1</sup>

–McKinsey & Co.

99%

of executives believe their companies would benefit from additional revenue management capabilities.<sup>2</sup>

<sup>1</sup> McKinsey & Co. “The digital led recovery from COVID-19: Five questions for CEOs.” <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-digital-led-recovery-from-covid-19-five-questions-for-ceos>

<sup>2</sup> Model N. “2020 State of Revenue Report.”

# Maintain a state of constant compliance.

Your company realizes the benefits that a revenue management system provides – and has invested significant resources to get it up and running. But the reality is your business and industry aren’t static. Things change, and as a result, you must keep your system up-to-date to ensure you’re able to maximize its value. Unfortunately, resource constraints – whether they be time and/or money – may prevent you from upgrading your revenue management system on a timely basis, or even at all.

And that puts your organization at risk for noncompliance with regulatory requirements on the federal and state level – which can result in hefty fines and reputational damage.

If you haven’t updated your system in a few years, regulatory release packs become harder to implement, especially if they are unavailable for the version of software you’re currently running. Getting these important regulatory updates will then require a large upgrade or a custom implementation – both of which are costly, resource-intensive and put you in a precarious position to react to the changing regulatory environment. Further complicating the matter, you’ll also need to test these upgrades technically and functionally to mitigate any implementation risk.

With Model N SaaS, regulatory release packs are less disruptive on your operations. You can be up and running in a matter of weeks, so you can quickly respond to major regulatory changes, like the Centers for Medicare and Medicaid Services’ (CMS) proposed rules on value-based pricing for prescription drugs. You won’t have to worry about accelerating your upgrade timeline to remain compliant; you can get the update immediately.



**Executives know their revenue management practices can be improved.<sup>3</sup>**



**90%**

report regulatory compliance contributes to revenue loss.



**86%**

are concerned that potential future regulations could have additional revenue impact.



**1/3**

Compliance with regulatory requirements is one of the top three revenue management challenges.

<sup>3</sup>Model N. “2020 State of Revenue Report.”

# Consume updates easily, quickly, and frequently.

Maintaining an on-premises platform requires periodic upgrades, patches, and customizations. You must scope the change, request budget, augment your staff for the implementation and testing, and retrain users on the new technology. The time and costs associated with these tasks make frequent upgrades infeasible, which means your organization is unable to take advantage of new innovations, features, and regulatory updates.

To upgrade your current Model N platform, you need to set aside time and money to go through an onerous project every three to six years. And if you're not upgrading at all, then your organization is not seeing the full value of your investment in the revenue management system.

Technology on all fronts changes rapidly. By transitioning to Model N SaaS, you can reduce the infrastructure burden and costs associated with outdated or retired hardware and software. For example, Oracle only supports two prior releases for its databases. If your database is older, you face additional risk and complexity during upgrades.

## Capitalize on new functionality faster and with less disruption



Traditional upgrade	Annual SaaS update
<b>Occurs every three to six years; takes up to 16 months)</b>	<b>(Two offered each year and one must be consumed; takes one to three months)</b>
<ul style="list-style-type: none"> <li>• Lengthy engagement with professional services</li> <li>• Extensive migration of customizations</li> <li>• Large application reconfiguration</li> <li>• Disruptive regression and user acceptance testing (UAT)</li> <li>• Significant training effort</li> <li>• Extended go-live</li> </ul>	<ul style="list-style-type: none"> <li>• Prepackaged and routine engagement</li> <li>• Assessment of new capabilities (continued phase-out of customization)</li> <li>• 60-85% reduction in system integration testing (SIT) and UAT</li> <li>• Minimal change management</li> <li>• Rapid go-live</li> <li>• Eliminates large project costs, resulting in 50-70% savings of time and resources.</li> </ul>

SaaS delivery insulates you from this impact by giving you the assurance that your tech stack is up-to-date. This not only enables you to keep pace with the accelerating change of technology, but it also helps you improve performance and security.

Automated testing is built into Model N SaaS, reducing the testing burden on your business and IT teams by 60-85%. When your software is updated, we run a comprehensive list of tests configured for your business processes and data. After reviewing the results, you can confidently move to production.

With Model N SaaS, you can maintain a state of constant compliance and leverage the latest industry best practices. Updates are incremental, eliminating the need for large implementation and testing teams and onerous, expensive projects that can take upward of 16 months to complete. We work with you to determine an annual update schedule that minimizes the impact to your business, while maximizing the value you get from taking regular updates.



#### **Update your platform on an annual basis.**

Stay more current without a big price tag. Updates are offered two times a year with your SaaS subscription; customers are required to consume at least one.



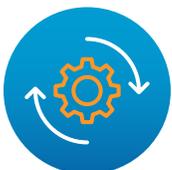
#### **Reduce the impact on your business.**

Updates take one to three months, depending on your software governance and control process and whether you want to perform additional internal testing.



#### **Establish your timeline.**

You have the flexibility to accept updates when you want them. If you decide to do only one a year, schedule it based on which update will have the largest impact on your business.



#### **Automate testing.**

We run the full suite of tests against any update to your software and share the results with you, so you can be completely confident that no issues exist before the update is pushed live.

## Accelerate time to value and compelling ROI.

Upgrading your system on a three- to six-year basis instantly puts you behind the innovation curve. Once you complete an upgrade, you're instantly out-of-date when the next release happens. That means, unless you customize your platform, you can't capitalize on new features and functionality for another three to six years.

Transitioning to SaaS delivery enables you to recognize the benefits from newly introduced features much faster than you can in an on-prem deployment. You will be able to capture more revenue now, not three years from now. Plus, you'll see a higher payback from the use of the Model N platform.

By pushing off upgrades for time and cost reasons, you've likely inadvertently migrated away from an off-the-shelf solution to a customized one. Conducting small custom implementations of features makes your platform more expensive and complex in the long run. SaaS delivery helps you eliminate this need for customization and prevents your solution from stagnating.

Along with eliminating infrastructure costs associated with on-prem, SaaS delivery reduces risk and business disruption with high application availability. At 99.95% and an SLA of 99.8%, Model N exceeds the industry standard for availability and uptime. Your IT team will now have the time to focus on more strategic projects that have more substantial impacts on the business.

And by introducing new innovations into your business over time, rather than in large chunks associated with a massive upgrade, your team can be more effective and more likely to absorb and take advantage of these features and functionality.

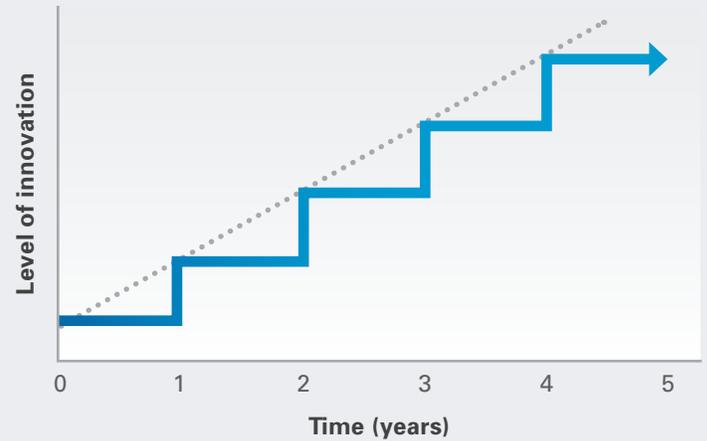
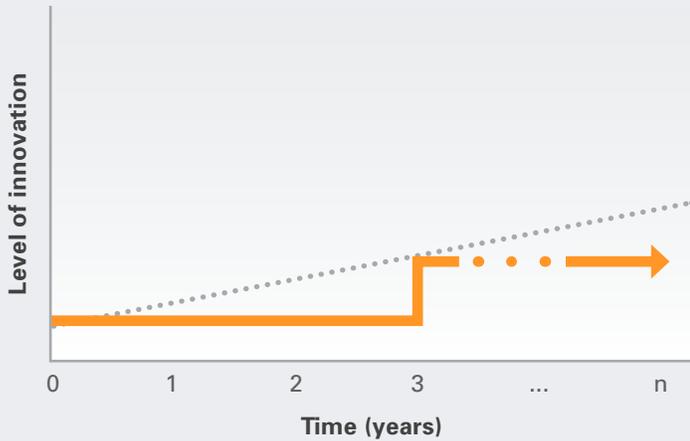
# 61%

of executives report that better technology would add millions of dollars to their companies' top line.<sup>4</sup>

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<sup>4</sup>Model N. "2020 State of Revenue Report."

**The Model N SaaS model delivers outstanding value and ROI over the long term**



Legacy software model	Model N SaaS
<b>Extensive upgrade projects every three to six years</b>	<b>Greater and more frequent innovation capture from annual updates</b>
<ul style="list-style-type: none"> <li>• Expensive, disruptive upgrade projects every three to six years</li> <li>• Flatter innovation curve from the need to support multiple versions</li> <li>• Zero innovation benefits between upgrade cycles</li> </ul>	<ul style="list-style-type: none"> <li>• Annual updates that are supported by automation and reduced SIT and UAT</li> <li>• Steeper innovation curve from greater leverage of R&amp;D dollars</li> <li>• Increased ability to absorb innovation in smaller "bites" over time</li> </ul>

With Model N SaaS, you will get a return on your investment in just two to four years, simply by eliminating the costs of upgrade projects and capitalizing on newly available functional benefits. That means in the time that it would take you to prepare for another upgrade, you will improve efficiency and capitalize on opportunities – which enables greater profitability, less revenue leakage, and a better competitive position in the marketplace.

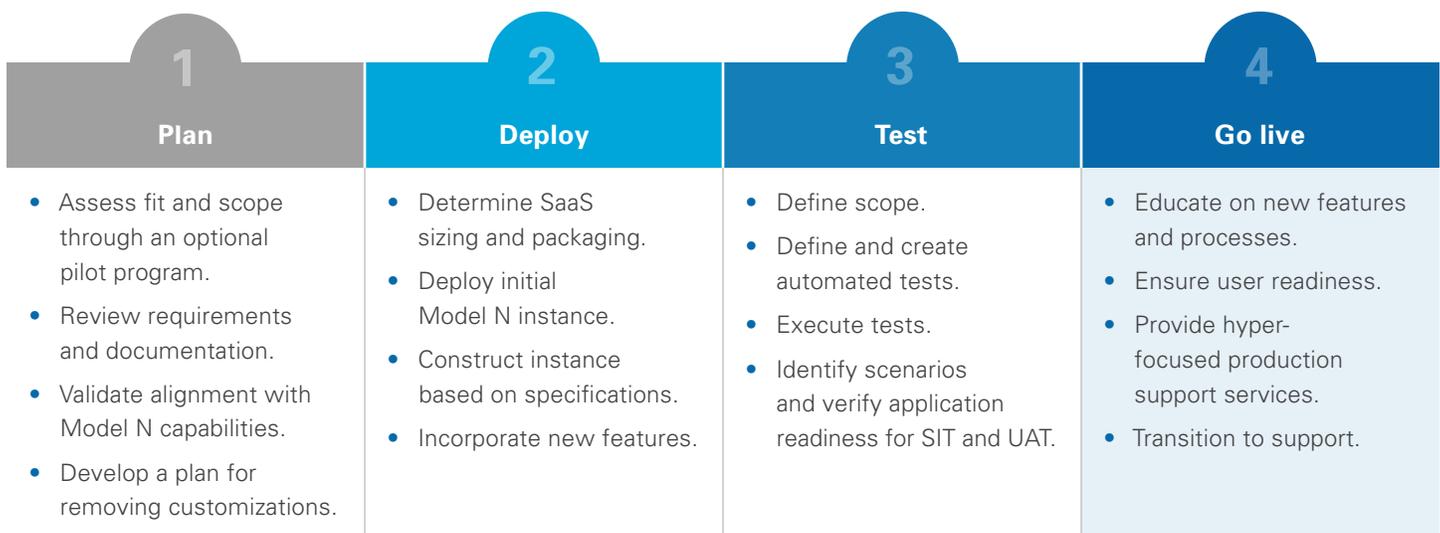
And perhaps best of all? You won't have to face another onerous upgrade that costs millions of dollars and requires extensive staff time.

# Transition with a proven process.

Transitioning to Model N SaaS eliminates the need for huge upgrade investments every three to six years. To help you make the move, Model N has developed a streamlined process – and proven it by helping leading companies realize the business benefits of SaaS delivery.

Led by seasoned project managers who know how to deliver SaaS, the Model N transition process leverages proven best practices based on extensive experience in the field – and ensures your project is delivered on time and on budget. We customize our process to address the specific nuances of your environment and goals. While each phase will occur, the length of time needed to complete the phase will vary from customer to customer.

## Four steps to a successful SaaS transition



# Discover if Model N SaaS is right for your business.

Every year, the Model N Cloud processes more than 2 billion transactions and \$30 billion in chargebacks, rebates, and fees for life sciences companies.

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To help you make a business case, we will work with you to identify the features and capabilities that you've missed out on and how they can impact your business. For example, we'll review the enhancements that you've not yet integrated into your on-premises instance and determine whether these could help you:

- Capture more revenue.
- Enhance your reporting capabilities.
- Provide faster, easier access to information for making better business decisions.
- Reduce bottlenecks and increase efficiencies.

If you're ready to focus your business and IT resources on driving innovation, solving strategic challenges, and moving your company forward, then you're ready to make the move to Model N SaaS. **Contact your Model N account manager today.**