

# GlaxoSmithKline streamlines price governance with Model N Global Pricing Management



## About the customer

A global biopharma company, GlaxoSmithKline (GSK) develops world-class vaccines, respiratory medicines, and HIV treatments and therapies, with a special focus on oncology, specialty biologics, and specialty biopharma. The company operates in more than 75 countries and has over 65,000 employees worldwide.

## Business problems faced before Model N

- An inflexible, slow proprietary pricing system that couldn't keep up with the changing landscape of the pricing market
- The lack of reporting capabilities, which hindered insight-driven decision-making across the organization
- Manual, time-consuming international reference pricing (IRP) simulations
- A 28-day service-level agreement (SLA) for price change approvals that required several stakeholders and numerous emails

## Outcomes achieved with Model N



**Reduced the SLA for processing price change requests (PCRs)** from 28 days to 10 days



**Centralized price management and governance processes** on one system, eliminating an over-reliance on emails



**Enabled teams to simulate IRP impacts** in less than four minutes instead of three to four hours



**Gained** the ability to predict the impact and loss of exclusivity

## The situation

Recent changes in the pricing management landscape, including the introduction of the MFN rule in the U.S., led GSK to evaluate its processes for managing and governing global prices. The company was using a proprietary system that had numerous challenges. It did not provide visibility into the status of price proposals. GSK's affiliates' feedback was that the system was too slow and inflexible. It also lacked reporting and analytics capabilities.

Global Pricing Director Jay Shah explained, "It was not giving us what we needed, given the landscape of change within the pricing and market access world. Clearly, it's now very different with U.S. pricing changes and other legislative changes. We knew we needed to upgrade."

## The solution

GSK evaluated multiple options. To help the global pricing team, local operating companies, and affiliates see what Model N could do for them, GSK hosted a demo day. Key stakeholders who regularly use the existing pricing system explored Model N's system, its functionality, and how it could streamline their processes. After seeing the ease of the user experience and the power of the system's overall capabilities, GSK chose to move forward with Model N Global Pricing Management.

According to Shah, "One of the overarching messages was that the user interface is really, really easy. It was very intuitive and a lot quicker than what we currently have. It also would integrate seamlessly with our infrastructure, connecting to our internal systems to provide a better data flow."

Implementing Global Pricing Management was a smooth process. "The level of support and communication has just been absolutely brilliant," stated Shah. "From when we kicked off the project last year to go-live early this year, we've had a fantastic level of support."

Having been part of challenging software implementation before, Shah was bracing for a difficult one. But the Model N team quickly alleviated her fears. "There were always going to be some tricky points, but there was a sense you could pick up the phone and get a quick resolution. Everyone was really open to having a conversation and being really solution-minded. That positive approach made things a lot easier for us."

GSK and Model N are still working through some technical issues with the data used for IRP simulations and Global Launch Excellence. However, the team expects to start using these modules in the coming months. Shah explained, "We're having to do this in phases because the team deploying Global Pricing Management is quite a lean team. We've had to be really ruthless around what we can and can't focus on."

## Results

Since going live on Global Pricing Management, a key pain point for GSK has been solved. Teams can now see the status of price proposals. Having this full visibility and all the information in one place has streamlined the PCR process.

Previously, the heavily manual PCR process took about 16 days, with a small percentage falling closer to the 28-day SLA requirement. Approvals required several stakeholders and multiple meetings. Now, GSK has reduced that SLA to just 10 days. Feedback from affiliates has been positive. According to Shah, "affiliates now have the ability to log in to the system to see where a PCR is and who it is with. They can then reach out to that person and take steps to move it along the route."

The ability to perform IRP simulations in Global Pricing Management was a key selling point for GSK. Because the company relied on a manual, Excel-based process, performing even the simplest IRP simulation would take three to four hours. With the Model N solution, IRP simulations can be done in less than five minutes. Before GSK can start using the IRP simulation functionality, the team has to work through some data-structuring issues; however, Shah expects to be up and running in a few weeks and looks forward to what she calls a "massive time savings."

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**"The approval timelines have really been a massive improvement. We can get our prices approved much quicker. Everything is a lot more efficient. People aren't sending emails to and fro now. It's all in the system, in one place, whereas before everything was on emails."**

—Jay Shah, Global Pricing Director, GSK

## Lessons learned

Shah recommends that companies implementing Global Pricing Management participate in training before conducting user acceptance testing (UAT). “We did UAT before the training, and I think if it were done the other way, it would have been a lot more efficient.”

Through the training, Shah and her team gained more knowledge around what was in the system and what it could do for them. Writing their own scripts without that information meant they needed some post-training rework. “We did the training, and that’s when we realized we should be testing this, we should be testing that. So, we had to go back and update our scripts... which meant a duplication of effort and time.”

Another suggestion Shah has for her peers at other organizations: Work in close partnership with Model N to dedicate more time to getting the analytics and reporting capabilities up and running. Global Pricing Management offers hundreds of report types. While every company has different reporting needs, most organizations monitor similar metrics. Shah believes there’s an opportunity to glean more guidance from the Model N experts and learn how others use existing reports, thereby helping her and her team refine Global Pricing Management’s reporting and analytics capabilities for their specific needs.

## What’s next?

Shah and her team are now focused on stabilizing Global Pricing Management to ensure everyone adheres to the correct processes and workflows. “We’re looking at how we can embed our business cases into the system. Right now, I have to add a PowerPoint attachment manually, but I understand there’s functionality that will enable us to automate this process and eliminate extra steps.”

“We’re also getting ready for the next release,” Shah explained. “We’ll likely make a couple of tweaks to our approval flows. Now that we’re using Global Pricing Management, some of the decisions we made for go-live should be revisited to simplify things a little more.”

**Learn how Model N can help you streamline price management and governance. →**