

BEST USE OF SECONDARY DATA

Executive Summary

Business Planning - Setting your sights with AMMO

Novo Nordisk's AMMO (Account Management, Maximising Opportunity) was launched in November 2005. This has redefined the traditional business planning process into a new 'living and breathing' process that sustains competitive advantage and has the flexibility to take account of continually changing customers.

Developed in partnership with CSL, AMMO integrates secondary data from internal and external sources. AMMO ensures that the tactical objectives in each account are in line with the strategic goals of the business as a whole. Key account management is now a continuous process where execution is continuously monitored using KPIs and ROI measurement ensures that commercial goals are delivered.

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Background – Situation Analysis

Novo Nordisk is a focused healthcare company with a targeted range of pharmaceutical products within the diabetes therapy area with a core focus on insulin. The UK insulin market is currently worth £273.6 million, to this extent the start position for insulin is hotly contested because once an initiation has occurred patients rarely switch regimen or insulin brand.

The competitive environment historically was between 2 companies, Lilly and Novo Nordisk, both with similar sales force sizes within the diabetes therapy area which was very much a secondary care managed disease. Novo Nordisk has continually maintained a leadership in market.

This status quo was rocked in August 2002 with the arrival of a new basal insulin analogue, Lantus promoted by a new competitor, Sanofi-Aventis. Sanofi Aventis and Lantus have completely changed the way Type 2 diabetic patients are treated with insulin by introducing the concept of the once a day insulin that lasts for 24 hours. The launch of Lantus is a success by any measure (gaining a 17% share of the total market within 3 years) but more so given that Sanofi-Aventis had no prior knowledge of the market and limited customer relationships.

Research Objective

The objective was to establish an ongoing process that would identify opportunities to grow business on territory whilst defending gains that had been previously achieved. This process needed to be supported by a suite of tools that are updated monthly to ensure a living business plan is in place for not only the territory but also the accounts within the territory. This was the beginning of a Key Account Management process.

Approach

Novo Nordisk has limited financial resources to spend on data so the data purchased needs to be used to its full potential. The external and internal data sources are utilised to the maximum. The real value of this data is realised when they are combined. This process of combining the data (in a data warehouse) and providing tools to analyse and visualise the insights for all the players is delivered by Compufile Systems Limited (CSL). Novo Nordisk and CSL have worked together in a very successful partnership throughout this process delivering real business benefits and competitive advantage.

Early on in the investigation it was identified that the business planning process was cumbersome and inconsistent across both sales regions and territories. To address this issue a standardised process was developed to ensure a consistent and reproducible planning process would be maintained throughout the financial year. This needed to be supported by a tool that would integrate all the information facets that are essential to the business planning process and provide on-going measurement of the success or otherwise of the business plan execution.

Recognising that people were at the core of the process a consultative approach was taken with senior managers, marketing, sales management and sales representatives. The aim was to ensure that the overall Novo Nordisk strategy was clearly understood and consistently implemented from top to bottom, and right through to the detail of the day to day sales and marketing tactics.

Fulfilment of research objectives/ Recommendations made

The tool that drives and supports this process is AMMO (Account Management, Maximising Opportunity). This allows the key accounts, managed by its sales representatives, to be visualised in one tool with minimal administration. AMMO enhances the value of the CRM solution by transforming the information captured by the sales force into a simple but complete view by account. This information is complimented and enhanced with analytics and insight from the additional data sources in the underlying warehouse. The result is that the sales force now has all the information they want in one place and at their fingertips. AMMO replaces a cumbersome and generally loathed spreadsheet exercise that was routinely asked of the sales force.

AMMO is an online .NET solution developed in partnership by Novo Nordisk and CSL. AMMO is built on top of the existing CSL data warehouse. This warehouse stores the secondary data sources mentioned earlier in a way that allows them to be used in combination with each other. AMMO is refreshed daily with the latest sales force activity data. This makes AMMO a living system for its users. They use AMMO to record and track the development of key customers in accounts in terms of their relationship with Novo Nordisk, their likelihood of prescribing and their relationship with each brand. This is information that cannot be captured in the standardised CRM.

AMMO is designed around key accounts. Each account is shown in context: Information is displayed within its NHS hierarchy with emphasis placed on key variables crucial to the Novo Nordisk strategic intent. The formulary status (where appropriate) is recorded by the sales force for both secondary and primary care.

The planning element allows integrated qualitative plans to be developed. The situational analysis records the history of an account, its current situation, as well as issues both internally and externally that could impact on success. This replaces the traditional monthly report, another big "win". However, a plan is worthless unless executed; AMMO planning requires its users to specify tactics or actions based on the situation analysis and the corporate strategic objectives. These tactics or actions have time frames. They can be short term, medium term or long term. The actions ensure that the sales force is commercially focused not only with their territory budget but also their time. Two mechanisms help ensure actions are delivered on time: one is a simple but effective email reminder that will warn the person of an impending deadline, the other is the visibility of the actions and deadlines up the management chain.

The business planning process concludes with an 8 slide presentation presented to senior management. These slides are derived from the AMMO environment. By using AMMO as the data source Novo Nordisk ensures that all key account plans are consistent. The conclusion of the account planning process is the setting of the sales target. Because the sales target is now *linked* to the business plan there is buy in from the representative who sees it as commercially viable and therefore achievable. And finally AMMO is then used to monitor actual sales against these targets throughout the year. If it becomes clear that a target is slipping the business plan can be immediately interrogated and appropriate action taken based on detailed and current knowledge.

Successful outcomes/Impact on the UK business

AMMO's undeniable success is a result of the fact that it was designed to meet the needs of its audience. These people wanted a simple and easy to use tool, populated with actionable information. AMMO drip feeds the information required to drive business forward in an easy to understand, yet precise, way to everyone in the organisation, regardless of position or seniority. The commercial success of the AMMO initiative has also been rigorously measured, and whilst the details cannot be shared here, it has delivered significant returns and continues to be used and updated.

See what the users say below.

"AMMO helps us in two ways. Firstly, it enables our sales force to make better decisions on what to promote, and how to promote, in their individual area. In this way we are more likely to offer something that is really needed by the patients and the health Care Professionals. Eventually we will sell more on the basis of satisfied customers and users. Secondly, AMMO enables us to view the business and understand the market using the same terms across several countries and different health care systems. Uniform reporting and "language" is a prerequisite for exchanging better practices as well." Name & Position Withheld

"In a market place where we are up against much bigger competitors we have to ensure that all our investments are coordinated via an effective account management system. AMMO provides this and as it is web based, it is easily accessible by anyone who may come into contact with a customer. As AMMO is easy to use, training time and admin time are reduced, yet better decisions are made resulting in more effective selling time." Name & Position Withheld

"I've spent a decent amount of time playing with this now and I can safely say it's the best sales data package I've ever seen! I can't actually think of anything worthwhile that isn't on there (unless you could graph the precise insulin rxing of all our targets, as the rx is written.....)." Name & Position Withheld