Pharma Company Prefers Vertical Industry Cloud

A biotech company turns to a cloud service tailored to the specific needs of the life sciences industry--and its regulations

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By Bob Violino | Follow

Cloud services designed specifically for particular industries are becoming more common, especially in highly regulated fields. That benefits companies such as Questcor Pharmaceuticals, which wanted a cloud-based CRM system but couldn't find what it needed from one-size-fits-all vendors.

As a specialty drug maker, Questcor needed pharma-specific capabilities to meet its needs for regulatory compliance, plus the agility to help get products to market quickly. (The company was recently acquired by global specialty pharmaceutical company Mallinckrodt, in a $5.8 billion deal.)

Questcor deployed a cloud offering from Veeva that is aimed specifically at the life sciences market. The service is designed to help life sciences companies with strategic issues such as getting drugs to market faster, maximizing sales of existing drugs and maintaining compliance with government regulations. The Veeva cloud offering, which Questcor uses as its sales management platform, includes CRM and content management capabilities.

The benefits of the cloud go well beyond cost savings, says Behrooz Najafi, vice president of IT at Questcor. "Using cloud initially [might] be viewed as an opportunity to help keep costs under control in IT. But I argue cloud solutions--in this case a vertical cloud CRM--have done more in making IT functions more strategic and business-focused," he says.

Economies of Scale

An industry-specific cloud allows IT to tap the expertise of a vendor partner that has economies of scale and can provide cloud services "better, faster and more cost effectively," Najafi says. "And this in turn allows IT organizations to be more nimble and focus on business and value-add activities such as analytics and business process transformation."

Questcor's cloud-based CRM system was up and running in about three months, whereas a traditional system would have taken 12 months or more to deploy. "Also, being a vertical cloud designed for life science, it was a better fit for us and had features not available in a traditional CRM," Najafi says.

Expect the use of vertical clouds to increase, says Gartner analyst Ed Anderson. "Examples where we've seen community clouds--what we'd call an industry-specific cloud--include government, education, financial services [including stock exchanges, insurance and wealth management] and healthcare," Anderson says. "These industries are drawn to the use of common cloud services [because of] the regulatory issues they deal with."

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