



Update

Pharmas Gain a New Industry Cloud Approach to Customer Reference Data with Veeva OpenData

Eric Newmark

IN THIS UPDATE

This IDC update discusses how Veeva OpenData is helping pharmaceutical companies engage in a collaborative approach to solving the long-standing challenges that surround customer reference data.

Situation Overview

The life sciences are fairly advanced in terms of industry cloud adoption and familiarity. Examples of industry clouds have existed for decades in the form of industry consortiums sharing R&D data on specific therapeutic areas in search of disease cures, such as for certain types of cancers and other genetic diseases. But on the commercial side of the life sciences, the industry is only now just beginning to scratch the surface of what potential value industry clouds can ultimately provide.

Industry Background

Historically, pharmaceutical companies have spent a significant amount of money purchasing customer reference data on a regular basis from a small handful of industry data providers. Pharmas then commit tremendous time and effort attempting to aggregate, cross-check, and validate the accuracy of these various data sets to ultimately create a single dependable set of customer master data. While, in the past, all pharmas have individually struggled with these challenges, Veeva OpenData is now changing that paradigm by introducing a collaborative industry cloud approach to solving this problem for the life science vertical as a whole.

Industry Cloud: A New Approach

Veeva, which is currently the global leader in terms of life science CRM market share, launched Veeva OpenData back in early 2013. It is easy to understand why Veeva, with a broad CRM install base comprising a majority of the leading pharmaceutical companies, believed it was well positioned to tackle the industrywide customer reference data problem. If a large majority of pharmaceutical companies used Veeva's CRM software, conceptually speaking, why not connect them all and let the industry create its own single shared version of the truth, rather than allow all companies to independently continue to struggle with this on their own? This logical approach ultimately led Veeva to create and launch Veeva OpenData, which provides healthcare professional (HCP), healthcare organization (HCO), affiliation, and compliance data. The data is persistently validated and enhanced by Veeva's global data stewardship team and is also continually improved upon as the inquiries from all the pharmaceutical companies around the globe that use Veeva OpenData prompt updates. Pharmaceutical sales and marketing teams utilize and rely on this data every day for both their back-office and their field operations. If any information is found to be outdated or in need of change, the pharmaceutical field reps and office personnel using the data can directly submit change requests. These get reviewed and validated by Veeva data stewards and are ultimately reflected in the system for the benefit of all pharmaceutical companies using Veeva OpenData.

Case Study

IDC Insights recently spoke with a small-sized (under \$100 million in revenue) pharmaceutical company about its adoption and use of Veeva OpenData. While most pharmaceutical companies have struggled for years with multiple systems of record and the ongoing challenge of managing and maintaining accurate customer reference data, this particular pharmaceutical company is an exception to the rule. The company had the good fortune of starting from inception with a single system for master data management, since it was only founded a few years ago. The pharma began its operations by implementing Veeva Network Customer Master, Veeva OpenData, Veeva CRM, and Veeva Vault (for content management). Along with Veeva OpenData, Veeva Network helps consolidate and manage all of the company's customer-oriented data to help the company create a true single view of its customers.

Implementation

After the initial purchase order was signed, the company was able to roll out the entire suite of products to its sales team of 30 people in under four months. According to the company's senior director of IT, "If we were just rolling out Veeva OpenData and Veeva Network, we could have easily had those up and running inside one month." However, the rollout was more involved, including Veeva CRM, Veeva Vault, Veeva Network Customer Master, Veeva OpenData, and integration of all third-party sources of demand data, managed markets data, and drug sample-related information.

All the sales reps have been trained to request updates to the customer data in the system as needed, with roughly 95% of the system fields designed to be accessible and updateable, as opposed to read only. When the system was first rolled out, it averaged 10 data change requests (DCRs) per rep per month. As the data improved, this number reduced over time, now registering about two to three DCRs per rep per month across all 30 of the company's representatives. If you extrapolate this out across the tens of thousands of sales reps that use Veeva's data and are calling on a rapidly changing physician workforce each day, it becomes apparent very quickly how much value is being built back into Veeva OpenData for the pharmaceutical industry as a whole through Veeva's industry cloud model.

In addition to the company's field sales team, Veeva OpenData is now used regularly by both the managed markets and the sales management teams of the company. The data is utilized for initiatives such as mapping out IDNs, correlating prescription volume with IDNs for physician targeting, and analysis of HCPs for territory alignment purposes.

Benefits

According to the senior director of IT, the pharmaceutical company has been very impressed by Veeva's customer service and account management. The pharma believes that, although it is a smaller company, it has received the same treatment a multibillion-dollar company would, including fast response times and strategic guidance on process adjustments when needed, which it appreciates and views as additional value-add. Asked about other potential benefits received, the director explained, "We use Veeva OpenData as our best demographic data because we find competing demographic data we purchase from other providers to be of lower quality. We love the idea of independently verified data sets validated by other real pharma companies. We find this information gets updated on a much more rapid basis than any other data available today. We are also saving tens of thousands of dollars annually now due to the elimination of license fees that some of our third-party data providers used to charge us to share their data in our system with our sample distributors, which is a necessity for our business operations. We've now replaced this with Veeva OpenData via our HCP

Web portal, which has both eliminated the prior licensing costs and improved collaborative use of this data between our sales and marketing organizations."

The company also believes the combination of Veeva OpenData and Veeva Network Customer Master has helped make compliance efforts faster and easier, surrounding both HCP and Sunshine Act reporting.

Looking Ahead

The pharmaceutical company believes there is significant opportunity for it to further utilize the Veeva Network API to expand integration with more of its downstream systems, such as its Sunshine Act compliance software, ERP, and even some of its channel partners' systems for better downstream collaboration and synchronization of operational processes. This will help ensure that all of its partners are looking at the exact same customer master data, which the senior director of IT explains "is only now possible because of Veeva's fairly open stance on their data."

The director says, "The company is very comfortable with the industry cloud model. Why would you waste your time and money on something that is not a competitive differentiator? I'm going to beat my competitors because my reps sell our product better, not because we have better addresses. I believe there are many opportunities for industry clouds in the life sciences, and I'd expect to see many more develop in this industry over the coming years."

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Related Research

- *Industry Clouds – A Vignette of Federal Government Adoption* (IDC #US40636615, December 2015)
- *Industry Clouds – A Vignette of Commercial Life Sciences Industry Adoption* (IDC #259685, October 2015)
- *Industry Clouds – A Vignette of Health Industry Adoption* (IDC #259683, October 2015)
- *Industry Clouds – A Vignette of Manufacturing Industry Adoption* (IDC #259564, October 2015)
- *Industry Clouds – A Vignette of Life Sciences R&D Industry Adoption* (IDC #258975, September 2015)
- *Industry Clouds – A Vignette of Oil and Gas Industry Adoption* (IDC #259062, September 2015)
- *Industry Clouds – A Vignette of Utilities Industry Adoption* (IDC #258524, September 2015)
- *Industry Clouds – A Vignette of Financial Services Industry Adoption* (IDC #258527, September 2015)
- *Best Practices: Industry Clouds Driving the Future of Knowledge-Based Drug Development in the Life Sciences* (IDC Health Insights #HI256448, June 2015)

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Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

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