ANALYTICS POWERED BY TRANSACTION-LEVEL DATA HELP SALES REP INCENTIVE PROGRAM REDUCE COSTS BY 40%

3-week engagement
· 40% cost reduction over 2 months by shifting fulfillment location mix

SYNOPSIS

A PE-backed specialty pharmacy with a national footprint faced different wholesale costs depending upon the drug ordered, where the order was taken, and in which of its locations the order was fulfilled. Senior management at the pharmacy sought a big push to optimize fulfillment location by aligning drugs and points of sale to optimal fulfillment locations using a sales incentive program.

SOLUTION

In a 3-week engagement, Horizon worked closely with the pharmacy's VP of Sales to develop and implement an incentive program to effectuate the appropriate mix shift. We established a data stream and developed a dashboard to support the sales team and hold them accountable for progress toward the target. In the dashboard, we automated complex market share calculations needed to identify the optimal fulfillment location for each order after accounting for shipping costs. We also provided the sales team with visibility into market share by payor, account, and prescriber, allowing them to track their progress toward the incentive targets.

VALUE

The data stream and dashboard Horizon created for the pharmacy's sales team gave the reps and VP of Sales the operational visibility needed to effectuate the targeted shift in fulfillment locations. This realignment in fulfillment location generated a cost savings of approximately 40% in a core part of the pharmacy's business over the two months following incentive program initiation and dashboard deployment. Our work in the program also helped build the organization's implementation muscle and established a valuable, ongoing feedback loop between the sales reps, pharmacy operations, and management that resulted in additional ideas for cost savings and revenue generation.