How PharmaNET helped an offshore marketing arm of the large pharmaceutical manufacture and exporter to simplify global commerce and stay one step ahead of the competition

Sarjen Systems Pvt. Ltd.

ISO 9001:2008 certified company

Client introduction

The offshore marketing arm of large pharmaceutical manufacture and exporter, engaged in all the licensing related activities and pharmaceutical product trading in the regulatory markets of Asia-Pacific, Australia, Europe & America

Business challenges

The firm was using manual processes for reconciliations that include chargebacks, rebates, and returns, but these processes are often inefficient and ineffective.

"The process was highly error-prone because of the volume of transactions they had to review manually. Also, the labor costs associated with managing chargebacks were becoming very high and impeding its ability to grow."

Due to its exponential growth, it needed a way to make its chargeback management process more efficient, automated and streamlined while minimizing revenue leakage and overpayments.

Supply chain flow of USA
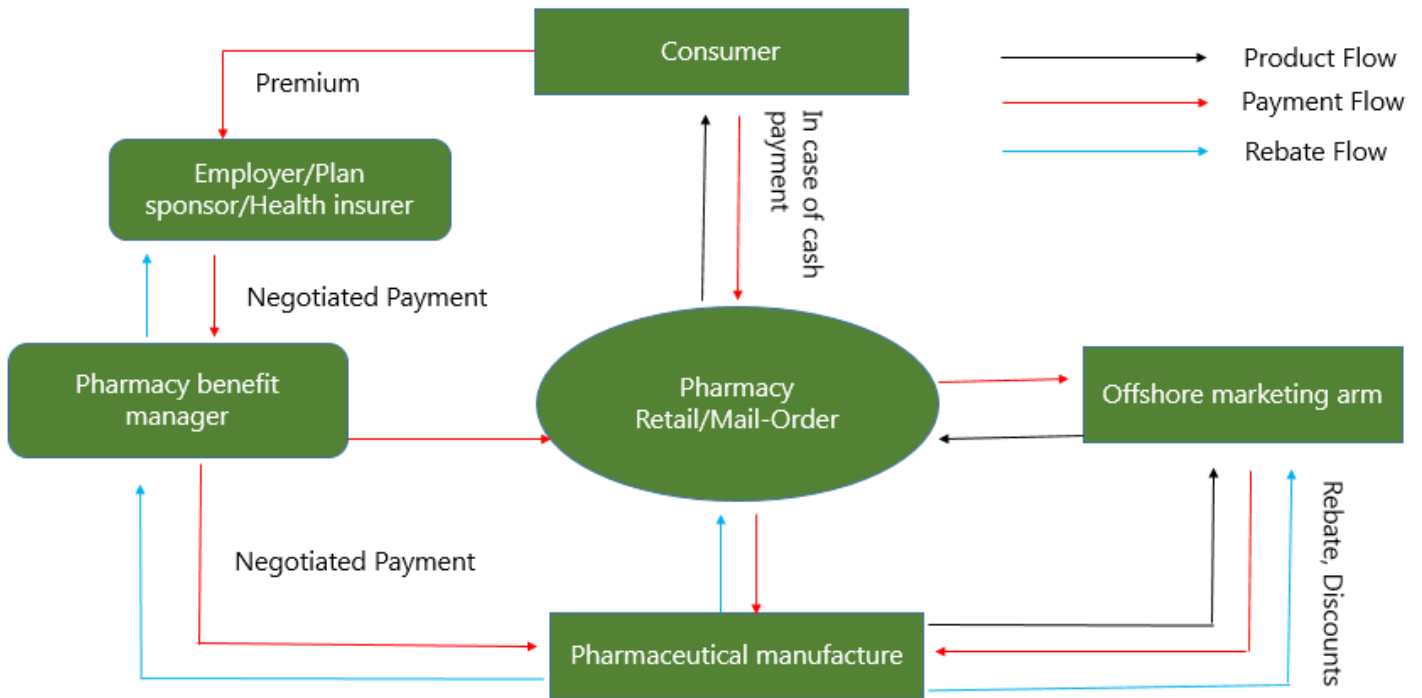
To enhance profitability in today's increasingly complex and competitive marketplace, it decided to implement automated contract and chargeback management solutions.

These integrated systems bring high performance capabilities that enable them to accurately, effectively and efficiently manage their contract and chargeback challenges.

Implement Manage Grow

1. Streamlined processing using EDI

PharmaNET provided the simple and cost-effective solution to manage transactions with its customers, such as sending and receiving chargebacks, reconciliations and price changes. PharmaNET also provides seamless integration and partnerships with leading ERP systems by streamlining transactions with pharmaceutical distributors, national retailers and other trading partners.

This end-to-end, web-based integration can streamline the whole contracting and chargeback process which fetched lots of benefits like:

- Improved accuracy

- Less manual effort

- Greater productivity without increasing staff

- Lower operational costs

- Reduced business process complexity

- Improved business agility

- Enhanced customer service

2. Contract management

Due to its high-stakes contractual relationships with wholesalers, distributors, group purchasing organizations, pharmacy benefit manager, retailers and other channel partners, each of whom receives a custom bundle of pricing incentives. Incentives range from the simple to the highly complex, and can vary by product, by buyer, by sales date, by quantity sold, and more.

PharmaNET implementation reduced its daily manual processing efforts by approximately 80% with lots of other benefits like:

Eliminate chargeback overpayments: By automatically validating and processing chargebacks, the firm succeeded to eliminate the labor-intensive and error-prone activities that contributed to chargeback overpayments in the past.

Reduce labor and operational costs: By eliminating manual and labor-intensive work, the headcount in their contract management department reduced by 50% or more.

3. Chargeback reconciliation

With PharmaNET, it succeeded to overcome the complexities and increased costs by effectively managing the chargebacks, WAC, contract prices, and accounting entries all in one system.

Our solution, aside from handling traditional ERP requirements, includes a natively embedded chargeback and EDI process for pharmaceutical companies which derived various other benefits like:

- Electronic processing of chargeback submissions/disputes and price changes
- Validation of chargeback against contract and memberships
- Real-time calculation of administrative fees and rebates
- Real-time accrual of chargeback values to the General/Ledger

Implement Manage Grow

4. Rebate management system

PharmaNET also provided a secure web-based rebate management system that stores unlimited rebate and deal agreements. It guarantees accurate rebate calculation, journal creation and claiming.

In addition, the rebate management system anticipated insights and opportunities to improve cash flow and generate increase revenue.

PharmaNET rebate management system added lots of values like:

- Simplified the process by managing simple to complex rebates online
- Reduced the time it takes to process rebates using manual and/or spreadsheet solutions
- Provided a high level of visibility and control.
- Mitigate the risk for error in manual calculation, accruals and payments
- Full audit trail

5. Approval & credit limit management system

PharmaNET approval system can handle any approval structure and organizational hierarchy, can enforce departmental, divisional and corporate approvals with multilevel approval lists.

PharmaNET also offered credit risk management by allowing the trading firm to kept details of their channel partners like credit limit, credit period, history of inquiries floated on date, quantity ordered, and amendments list of quotations, responses and final order placed is maintained effortlessly in the software. Which helped the top level management in effective scheme planning, better receivables and enhance productivity.

Outcome

- Shortened offer-to-contract cycle time

- Improved pricing negotiations

- Reduced chargeback errors

- Eliminated rebate overpayments

- Decreased pricing leakages

- Minimized regulatory violations

- Improved process and performance visibility