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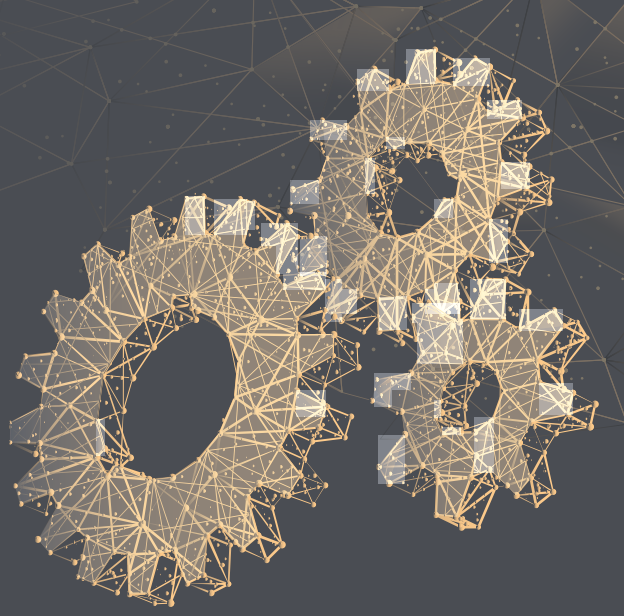
Driving efficiency and innovation through digital technologies in animal health



Digitalization has had a major impact on society and our daily lives, and its impact worldwide on the business of doing business has been astounding. No industry has remained untouched or unchanged by it, and with few exceptions, the change has been for the better.

So, what about the animal health industry? This report explores how digitalization has affected the animal health pharmaceutical industry by altering clumsy, inefficient business processes to enable holistic management of complex rebate programs. An evolution that improves customer relationships, revenues, and analytics.

Digitalization Defined

Digitalization has become a central source of value creation.

> According to Gartner, **"Digitalization is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities. It is the process of moving to a digital business."**

Stephen Ezell, VP, Global Innovation Policy, ITIF elaborates further. In a 2019 presentation on **"The Future of Work in a Digital Environment"** he states that digitalization has become a central source of value creation.

> **"It's not about applying digital to existing processes; it's about using digital to fundamentally reimagine existing business processes."**

The Role of Automation

A major character in the digitalization story is automation. Automation has transformed the world of work; changing how people perform their jobs and the business processes that make up an organization's operations.

According to a McKinsey Global Institute (MGI) study, automation can enable businesses to improve performance by reducing errors and improving quality and speed. It also contributes to productivity, as it has done historically.

At a time of lackluster productivity growth, this gives a needed boost to economic growth and prosperity and helps offset the impact of a declining share of the working-age population in many countries.

The MGI study noted that activities most disposed to automation involve physical activities in highly structured and predictable environments, as well as the collection and processing of data. In addition, the report stated that the scenarios used in the study suggest that half of today's work activities could be automated by 2055.

Through automation - digitalization's offshoot - digital technology changes business processes. It takes basic tasks out of human hands and allows workers to focus on other, more critical functions and potentially move into new, more fulfilling roles.

MGI STUDY INSIGHTS

Processing and collecting data were found to be activities most disposed to automation.

The study's scenarios suggest that half of today's work activities **could be automated by 2055.**

Digitalization The Problem Solver

Growing, competing, and succeeding in the global animal health market means businesses must constantly reflect on their business models so they're able to react swiftly to market shifts.

With the employment of digital technologies that are specific to business needs and developed from the perspective that well-integrated data is a valuable asset, problematic processes can be resolved.

Spreadsheets Used In Rebate Payment Calculations

An example of a problematic process is the use of spreadsheets when calculating rebate payments. Manually working data in a spreadsheet is a practice that requires additional time, resources, and no guarantee of accuracy.

People are human beings with generally good intentions. However, when completing a task, they may skip a step to complete work on time. Or maybe their training on the task was insufficient. In either case, an employee could unwittingly put a company at risk.

A rebate tool like Proagrica's Rebate Manager automates these processes, eliminating the chance of erroneous rebate calculations. It reduces the time and resources required to complete the rebate process and avoids the likelihood of costly disputes.

WORKFORCE SENTIMENTS AROUND AUTOMATION

Although automation is often equated with job loss and thought to be worrisome to employees, results of a survey by the International Federation of Robotics found that even as the number of jobs eliminated by automation rises, people remain optimistic about potential benefits. Of 7,000 surveyed workers, almost 70% expressed hope about higher-skilled employment.

ACCORDING TO FORBES:

Various studies report that **nearly 9 out of 10 spreadsheets (88%) contain errors**, with the majority coming from human error.

Business Consolidation

STAYING CONNECTED

> **Going back two decades to 2000, almost all of the top 20 companies in animal health were part of a larger human pharmaceutical parent. Now, only three companies remain this way.**

Business consolidation has become commonplace in the animal health industry. No longer considered just a side business for big pharma companies, animal health has emerged as a beacon of growth and an important profit driver.

Maintaining usual business operations while undertaking such a massive transition presents a multitude of challenges for today's manufacturers.

Struggling to manage complex rebate programs with different systems that are poorly, if at all, connected. This lack of connectivity can make data unreliable due to a lack of integration and standardization.

The special needs and requirements of a rebate tool for animal health pharmaceutical manufacturers differs substantially from those of a human health system. The rebate processes as a whole vary widely between the two sectors.

Static, stand-alone, siloed data restricts a business from "connecting the dots" between operations, providing little decision-making value.

During consolidation, manufacturers are faced with the enormous task of keeping all their "ducks in a row" operationally. Access to a rebate tool that provides connectivity and visibility across consolidated businesses minimizes risk to their rebate program, avoiding expensive mistakes, angry customers, and loss of revenues.

A Worthwhile Investment

Proagrica's rebate management solution supplies this connectivity giving manufacturers oversight and control of all aspects of their rebate program. It integrates and standardizes data from multiple sources, performs all master data management activities, and calculates all rebates due to customers, so holistic rebate management is achieved.

Animal health manufacturers can continue to reap the benefits of digitalization with innovations making it possible to further streamline and fine-tune business processes, as well as improve the integrity of data, while providing growth opportunities for employees.

Executives focused on the marketplace should seek cutting-edge capabilities to drive their decision-making. In that respect, digitalization is always a worthy investment.

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