

Pharma S&M offshoring: The next level

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In a white paper titled, 'Pharma S&M offshoring: The next level' Manish Gupta, Director, and Dr Rajesh Nair, President, Indegene show how this new lower cost model can achieve more than just cost saving. Extracts from the white paper

It is an open secret that the pharmaceutical industry's Sales and Marketing (S&M) model is under tremendous pressure. The spate of layoffs, re-organisations, and growth in outsourcing announcements across companies are a testament to the fact that the pharmaceutical industry is trying to reconfigure itself and adapt to a new reality.

Our experience with a large number of pharmaceutical companies over the past two years suggests that the viability and benefits of using an offshore delivery capability for Market Research, Analytics, and Competitive Intelligence has been established. As it happens with any model, there are early adopters that have made significant progress in these areas, while others are experimenting at a lower scale currently while firming up their plans to scale. We believe that over the next few years most of the large and mid-size pharma companies will aggressively use offshore delivery capability as a significant element of their commercial support organisations and successfully target cumulative annual savings of the order of hundreds of millions of dollars. However, the next wave promises to be bigger yet.

The new wave of activities is being formed around the marketing, medical education, and promotional activities. This opportunity is substantially bigger compared with Analytics since the bulk of marketing budgets are incorporated within these activities. It is likely that companies that successfully transition to the new lower cost model will generate a sustainable competitive and financial advantage over laggards. Based on our experience, we estimate that large pharma companies can target cost savings between \$75-\$200 million per year by focusing on this segment. The bottom line today is "doing more with less." We believe that offshoring and "unbundling" are critical elements of the emerging solution. This paper explores how pharma companies can impact their much larger brand budgets and drive efficiency in Promotional, Medical Education, Medical Affairs, Sales Training, Medical Communication, and

Publication Planning activities through offshoring initiatives. We also highlight the critical role of "unbundling" of production processes for marketing programmes in achieving the cost savings. One approach to get over

the challenges of offshoring brand-related marketing and promotional activities is using a hybrid delivery model. A hybrid global delivery model comprising local teams in combination with offshore teams, when executed well,

results in improvement of overall efficiency and client satisfaction. There are always activities which need to be executed locally, while there are others which can be offshored. By harmoniously balancing the onshore and off-

shore components as a seamless process, substantial cost benefits, operational scalability and effective programmes can be guaranteed. ■

For more information on the white paper, email bd@indegene.com

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One approach to get over the challenges of offshoring brand-related marketing and promotional activities is using a hybrid delivery model. A hybrid global delivery model comprising local teams in combination with offshore teams, when executed well, results in improvement of overall efficiency and client satisfaction. There are always activities which need to be executed locally, while there are others which can be off-shored. By harmoniously balancing the onshore and offshore components as a seamless process, substantial cost benefits, operational scalability and effective programmes can be guaranteed.

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