A Fused Model for the Enterprise

A Conversation with Brian Williams

Winning in today's digital era requires more than just apps and a website. Fusing an enterprise for success in the digital era requires companies to seamlessly collaborate across the enterprise and create a true strategic pathway for a better customer experience.

Recently, Cognizant commissioned a comprehensive study conducted by Forrester to test the hypothesis that digital transformation succeeds best when two conditions are met: 1) when transformation spans the enterprise from customer touchpoints all the way to fulfillment and beyond and 2) when leaders take a fused, not siloed, approach to this transformation. Forrester surveyed 517 decision makers across line-of-business (LOB) and IT roles involved in enterprisewide digital transformation initiatives, from both U.S. and U.K. companies, to test this hypothesis.

Brian Williams, Chief Digital Officer and Global Life Sciences Consulting Leader, at Cognizant, predicts the winners in the next five years will be fused because of the competitive and operational advantages that flow from seamlessly connecting front- and back-office processes. But to achieve a "fused" state of being, he says companies need to develop a seamless connection between these front- and back-office areas of the business: process, organization, technology, and data insights. Further, the way in which companies perform across all four areas as a whole, dictates the degree of digital success.

"In the life sciences, we see a lot of companies *doing* digital, but fewer are focused on *being* digital, meaning that the processes, the organizational structure, the technology, and the data are all integrated, thereby allowing a drug or device manufacturer to serve consumers regardless of where or how they access healthcare," Williams says.

Cognizant talks about the need for companies to become digital from the front office to the back office. And while pharma companies are focused on the customer experience, meaning that the front-end of the office has become adept at creating a digital app or a chat bot for customer service, that customer interaction is still often occurring with the support of an archaic back-end system. Williams says these antiquated and non-integrated back-end systems are not able to deliver either the turnaround or the response back to the customer. And consumer's and customer's expectations are high because with most other areas of their personal lives they experience real-time feedback.

The Cognizant/Forrester research found that back-end process teams (e.g., supply chain, HR, finance) were the least likely to have a decision-making role and were seen as less critical than other functions in delivering on customer needs and requests. And, according to Williams this limited view can have a detrimental effect on digital transformation. He says digital transformation is more than a buzzword, it's a means for survival and growth. The good news is that the recent survey results show that 75% of companies already have at least one business function or process that has been impacted. The discrepancy between stated priorities and execution is in part due to the fact that many companies focus only on a narrow piece of customer experience; prioritizing investments in "doing digital" — narrowing their focus to the front-end experience for customers — while putting "being digital" — using internal support processes, organization, and technologies to support the front-end experiences — on the back-burner.

The Challenge

Survey respondents identified two main drivers to digital transformation: improving customer experience (67%) and increasing revenue (66%) — which they rank above other important elements such as increasing employee productivity (60%), driving business agility (52%), and reducing operating costs (47%).

While leaders recognize that the customer is the principal impetus for change, still fewer than 40% of companies have aligned internal teams to put the customer at the forefront of their activities.

To achieve their stated objectives of becoming fused entities, siloed companies face several challenges: an inability to quickly prioritize and test digital ideas or fund projects as they learn; difficulty getting unified organizational alignment, particularly at mid-management level buy-in to the vision; and creating

THE FUSED CROSS-INDUSTRY CHECKLIST

- **Connect around the customer journey.**
- **Focus operational improvements on what customers value most.**
- **Create a modern technology foundation that is loosely-coupled and built for speed.**
- **Create and nurture a company culture that embraces change.**

a digital strategy that keeps the lights on and embraces new technology. In addition, Williams says biopharma companies also must contend with a unique stakeholder group: patients.

"Patients are a new source of power for biopharma companies," he says. "And while the term patient journey has become ubiquitous in the industry, the patient journey is really just one segment of a circle of wellness. We know a circle is made up of a series of straight lines with the patient journey being only one of those lines. The consumer makes choices before he or she is identified as a potential candidate for treatment. Some of those choices may mitigate. delay, or prevent the onset of disease."

Other choices may seem unrelated to the healthcare journey at all. For example, a consumer, not as a patient, makes the choice to use an IOS or Android-powered phone. This decision comes into play when he or she becomes ill and is prescribed a treatment that includes an app, but the app only works on one or another of the platforms. The therapy therefore has no value to the patient.

"The power that consumers/patients have today is unprecedented," Williams explains. "Consumers make a series of choices that have an impact on where they will access treatment, how they will access treatment, what information they will access, and how they want to share information back to their healthcare provider." This is a fundamental challenge that

not only is unique to healthcare, Williams says, but is part and parcel of another big piece of the puzzle: regulations. "Biopharma companies have a set of regulations that are different from any other industry around access to the consumer and use of information associated with that consumer."

Additionally, unlike other industry sectors, biopharma companies are subject to very disjointed streams of payments — where and how the economics associated with a particular intervention are awarded to the different parties — whereas in most other industries it's a direct relationship. "U.S. biopharma companies are also subject to a great deal of uncertainty in terms of ongoing administrative, congressional, and then state and legislative efforts around care, access, delivery, and payment models."

Another challenging aspect for biopharmaceutical companies is that the system by which patients access care is evolving. "Access to care is no longer just within the four walls of a hospital or doctor's office," Williams says. "There are now a number of expansion access points. Some of these are purely digital and can be accessed through a phone app that provides aid and supports the diagnoses. Or access can be provided via consultation through video or emails, where technicians and clinicians provide new and convenient ways to interact with patients. Also, retail settings are expanding into primary care delivery. This just further complicates the environment in which a biopharmaceutical company has to think about how it transforms into a digitally fused enterprise."

The complications of becoming a fused entity also involve some basic factors, such as data and data quality. Different data are required to help inform development efforts, R&D efforts, commercialization efforts, or even payment efforts as more commercial and governmental payers are involved in evaluating value and negotiating outcomes-based reimbursement contracts. "In this type of environment, companies need not only information that reports that the drug was prescribed, but that it was dispensed, and that it was taken and dosed appropriately over the full course of treatment, and finally, that the patient got better. And, how does one establish better? This goes back to the metaphor that patient health is a circle, and illness is just one line in that circle," Williams says.

Fused enterprises understand that integration is not just about tech and operations, but rather about building a holistic strategy across the entire business, including process, data, and tech, Williams says. "The promise and the peril of digital is the ability to establish platforms and then tailor solutions to a much broader set of stakeholders to meet their needs. In a fused enterprise, you can look across the organization and understand how the different solutions are

MATURITY PROFILES

Siloed

24% experiencing revenue growth over 10%, on average

Top Predictors

1. Incomplete, messy inventory tracking and transaction status data.
2. Competitive strategy is not highly focused on expanding digital capabilities.
3. Lack of agile business operations.
4. Poor collaboration between front office and back-office tech decision makers in building digital tech roadmap.
5. Unable to quickly implement new digital strategies and objectives.

Converged

50% experiencing revenue growth over 10%, on average

Top Predictors

1. Mostly good at coordinating the funding, planning, and execution of cross-functional initiatives.
2. Rate themselves highly on CX.
3. Inventory tracking and transaction status data is mostly complete, current, and clean.
4. Mostly prioritize overall CX over the performance of any individual business unit.
5. Front-office and back-office tech decision makers mostly tend to work together to co-create digital tech roadmap.

Fused

62% experiencing revenue growth over 10%, on average

Top Predictors

1. Have a defined and repeatable process for managing and supporting digital engagements.
2. Good at coordinating the funding, planning, and execution of cross-functional initiatives.
3. Measuring key interactions along customer's journeys, not just overall customer satisfaction.
4. Org structure prioritizes customer journeys over functional silos.
5. Tech solutions enable flexibility and responsiveness to changing business and customer needs.
8. Reduce negative emotions
9. Behavioral contract
10. Commitment

playing out. A company may need a slightly different set of skills and insights when it comes to R&D activities than it does for the regulatory aspect of its business or for its consumer/patient initiatives. But there are aspects that cut through the stakeholder groups that make data relevant and that help inform and improve decision-making by management teams," he says.

The Journey

Customer experience is important, but Williams says when it comes to transformation outcomes, the holy grail is always overall business success — both immediate and future. When comparing survey responses between maturity groups, Forrester found a striking correlation between a company's reported revenue growth and the degree of enterprise integration; technology as well as people and process integration. Those fused companies that indicated a tightly integrated organization, across technology, operations, business processes, and data insights, were 2.5 times more likely to report double-digit revenue growth than siloed organizations.

"When we talk about a fused enterprise in an evolving care environment, we're talking about the entire team on the court together with specific roles understanding where and how their roles intersect to the ultimate victory," Williams says. "There is an understanding that R&D's needs are different from those of manufacturing, from sales and marketing, from a clinician, from the regulator. A fused enterprise allows a company to deal with those different constituencies in a holistic way without the inefficiencies that naturally break down if the focus is solely on an app that was developed on its own to go with a therapy."

For companies to achieve success in a fused environment, Williams believes there are several important components. One, he says an enterprise needs a clear vision on what fused means within the organization. Then, the technology, the organizational structure, governance model, the process, and data need to align to that vision. Two, a company needs a dynamic partner ecosystem of data providers, hardware and/or software providers, and support service and solution providers — all of which are integral to success. And third, there needs to be an understanding that being a fused enterprise is a continuous journey; hardware and software platforms will continue to evolve, and that the volume of data will continue to expand.

"This continuous journey is a vitally important aspect of not only creating a fused enterprise, but sustaining the competitive advantage associated with a fused enterprise," Williams says. ∎

This article was created for and commissioned by Cognizant.