

It's All About PERFORMANCE



From the clinic to the market, the ability to drive process improvement and operational excellence for sponsors and providers through strategic metrics has never been more important. **METRICS ENCOURAGE EFFECTIVENESS, EFFICIENCIES, AND APPROPRIATE LEVELS OF CONTROL.**

No matter what the sector or the task, metrics make it possible to measure an outcome, whether it's patient recruitment or a creative advertising execution. Metrics drive informed and effective decision making. In today's highly competitive environment, creating even the slightest edge in terms of performance improvement can mean dollars saved, improved timelines, and, the ultimate goal: better healthcare options for patients. Initiatives that incorporate benchmarking, goals, metrics, and

organizational change can turn business strategy into action.

Experts representing both the clinical and marketing arenas provide their insights on best practices; the importance of developing performance metrics for marketing and clinical research and how these measurements impact outcomes; whether metrics should be broadly or narrowly focused with regard to objectives, measures, and individual or team outputs; and ways that information can be shared across functional silos to enhance productivity.

CLINICAL



PV. How important is it to develop performance metrics for clinical research, and how do these measurements impact outcomes?

KIRK GALLION. The ability to collect performance metrics as an integrated aspect of executing business processes is critical. The level of the impact of these measurements is directly related to the organization's potential to collect useful metrics in a reliable and unobtrusive way. Metrics that are collected and analyzed as part of an institutionalized, process-centric methodology support: continuous process

improvement based on quantitative data that identifies specific areas for improvement; continuous resource optimization; and improved forecasting and awareness that allows managers to see further into the future and plan better.

JACK PORTER. There is an old saying in the industry: "If you cannot measure what you are doing, you can't manage what you are doing." This highlights the importance of defining the right metrics that align to specific business outcomes. If you take this to the next level of granularity, business outcomes are the result of executing on specific business processes so understanding the metrics for measuring execution of components of the business process can provide tight links to impacting outcomes.

BILL STEVENS. Any process that a company wants to improve or make more efficient should be measured. Developing performance metrics ensures that an organization has given thought to factors that impact their strategic directives. Tracking these metrics then allows managers to gain insight into the effectiveness of current strategies and maintain accountability with the people responsible for its execution. A Cognos-sponsored survey found that clinical professionals believe their companies' clinical-research objectives are not sufficiently being met because they did not have adequate processes in place to accurately measure performance. Without these processes it is very difficult to measure results and then build — or adjust — strategies to impact outcomes.



JACK PORTER
DECISIONVIEW SOFTWARE

There is an old saying in the industry: "If you cannot measure what you are doing, you can't manage what you are doing." This highlights the importance of defining the right metrics that align to specific business outcomes.

PV. In establishing goals for performance metrics, is it important to be broad or narrow with regard to objectives, measures, and individual or team outputs? What are the best ways to establish these measures?

BILL STEVENS. The focus depends entirely on what level of the organization is being sup-



BILL STEVENS COGNOS

While measurement against a target is critical, it should be noted that an organization does not need to be world-class competitive on every metric unless that high-performance level is required for strategic success.

ported. A broad indicator is best at the top level of an organization. In fact, this is why there has been a significant uptake in scorecarding and dashboarding solutions implemented at the C-level. For day-to-day management, executives are relying on broad indicators of whether their plans are on track or off track at any given moment in time. More detail is required as one drills into an issue or, in the case of a pharmaceutical company, as one cascades down the organization. When moving down to teams and individuals, the critical consideration is time. For example, how far out in time is that team expected to work, and therefore what is the right indicator of that time level?

KIRK GALLION. The decision of what to capture should be directly related to the factors that unquestionably drive growth, minimize risk and expense, and maximize use of current resources. A few key metrics captured at a high level are enough to base important operational or strategic decisions. But it is difficult to start at these lowest levels to begin with if a consistent, well-defined, or mature business process is not in place.



KIRK GALLION
OCTAGON RESEARCH

As processes span functional areas, so should process metrics. These metrics will enable companies to optimize functional operations as well as evaluate and address "connector" activities that link functions or tasks.

BEST-PRACTICE PROCESSES — CLINICAL

FOR DEVELOPING PERFORMANCE METRICS AND KEY CRITERIA AND BENCHMARKS FOR EFFECTIVE OUTCOMES

■ Kirk Gallion

Metrics collection needs to be an integral part of operations while minimizing the burden or distractions sometimes associated with collecting them; metrics should also be fed back into the process as quickly or frequently as needed to impact daily operations. This is vital for demonstrating value to the organization. Finally, metrics should be captured at a level that supports the presentation of actionable information as opposed to nice to know.

■ Jack Porter

The key to developing effective performance indicators is to first, identify the factors that drive the execution of the process and are not simply results of the process. These are the indicators that are actionable. Second, it's necessary to capture historical information on the process so that predictive analytics

can be used to forecast these indicators into the future. Third, develop a set of management levers that allow for a quick response to a negative trend.

■ Bill Stevens

First, organizations must realize that the performance metrics themselves are less important than the measurement and communication of their relative weight. Second, to be effective, organizations should select performance metrics that reflect overall performance and then provide tools that allow self-service reporting and analysis to easily access supporting detailed diagnostics. Finally, communication is key. Fundamentally, organizations should make execution everyone's job; everyone should understand what the objectives are, how important they are, and be armed with the right-time metrics to demonstrate how they are performing against these objectives.

PV. How should metrics information be shared across functional silos to enhance productivity?

JACK PORTER. Sponsors have been pretty good about sharing critical performance information and databases, such as CMR, PICAS, and CROCAS, which have become valuable tools. To drive even more value, this information needs to be much more timely and accurate. In the future, this information will probably be captured by the underlying transaction system and then published to an industry repository using Web services. Sponsors will then be able to “operationalize” this information as a key part of their business processes.

KIRK GALLION. As processes span functional areas, so should process metrics. These metrics will enable companies to optimize functional operations, as well as evaluate and address activities that link functions or tasks. Often, the hand-off between functional areas represents a great deal of rework or redundancy of process. These activities may provide great opportunities for enhanced efficiency but have traditionally been neglected because of siloed processes and technology implementations.

BILL STEVENS. Performance has to be everyone’s job. Strategic performance measurement must be clearly communicated to everyone all the time. To do this, there are tricks, such as making sure top-level indicators are cross-functional and cross-process. In some cases, the actual performance data may not be shared for SOX, governance, or competitive reasons. In those cases it is necessary to translate those numbers into indexes, such as 98% of target, etc.

MARKETING

PV. How important is it to develop performance metrics for marketing?

JOE GATTUSO. Creating performance metrics for marketing/communications is not just important; it is essential. There is that old advertising story of the business tycoon who says to his agency: “I’m sure that only half of the advertising you do for me is doing me any good; I just don’t know which half.” Today if both halves don’t have value then we just don’t do it. But it also is important to put metrics in the proper context. Metrics should always be the natural and clear result of business plans, educational objectives, creative blueprints, and so on. Metrics should be hard-linked to the objective of the particular scope of work.

Performance metrics, if applied properly, must be designed and acted upon to impact the ROI of any given marketing/communications activity. This requires putting in place the most specific and accurate metrics possible: NRx, TRx, awareness, message take-away, share of units and dollars by segment, changes in an ATU, response rates from direct-response materials, sales delivered against targets, Fasttape feedback, coupons redeemed, etc. But most critically, it also means putting in place a team and a process that is ready and able to assess and act upon the results. Measuring impact without the ability to act upon these data doesn’t mean much.

JOHN JAKOVLIC. The importance of measurement has never been greater. More and more of

our clients are requesting metrics that will help them improve the efficiency of their internal marketing processes. In several cases, we are using measurement techniques to help our clients identify and eliminate inefficiencies that result in wasted time and expenses. For example, performance metrics have shown that when a client starts a new project with a complete and aligned project brief, the process to complete the project is far more efficient. Having the project brief up front allows the agency to be better aligned with the brand team.

JOHN NOSTA. The best metrics for marketing are sales. It’s easy to see if the message and creative are having any impact, especially if sales are going up. Of course, there are many factors that can influence success, such as whether the salesforce is implementing correctly or whether the media plan is robust enough. Most of these variables are outside of the control of an agency. Despite this, an agency should still be held accountable for the outcomes in terms of the sales success. The best ideas have the power to overcome any obstacles and still show results. The salesforce cannot be blamed if what it was given isn’t worth the time to begin with.

PV. In establishing goals for performance metrics, is it important to be broad or narrow with regard to objectives, measures, and individual or team outputs? What are the best ways to establish these measures?

JOE GATTUSO. I don’t think this is an either/or question. Best practices include both broad and specific metrics. But generally speaking the more specific the metric the better.

BEST-PRACTICE PROCESSES — MARKETING

FOR DEVELOPING PERFORMANCE METRICS AND KEY CRITERIA AND BENCHMARKS FOR EFFECTIVE OUTCOMES

■ Joe Gattuso

It is vital to be clear about the degree of confidence and specificity in any particular measurement instrument. The ideal instrument would, like a clinical-trial design, squeeze out all other influences except for the activity being measured. The piloting of programs in the real-world market is not done enough; this is particularly true for compliance/adherence programs that tend to have many working parts and therefore must be evaluated in the real-world of medicine.

■ John Jakovlic

Start by creating a process map of the current workflow, from strategic planning to tactical execution. Second, once a workflow is established, begin to measure the amount of work in progress (companywide and by brand

team), track the number of projects released, cycle time from start to finish (or by stage), and actual vs. estimated fees. Look at this information in conjunction to the workflow, establish benchmarks, and identify areas for improvement. Third, before releasing a tactic, determine how ROI is going to be measured. This can be achieved by making sure that success is defined in terms that can be measured. Collect that information, analyze it, and look for ways to refine the approach or replicate success.

■ John Nosta

Awareness is a metric of how well the message has been put in front of the right people; memorability is a measure of how well the execution of the idea sticks with the customers; and sales is the only real measure that counts.

World-class brands.

GARDASIL®

[Quadrivalent Human Papillomavirus
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[Zoster Vaccine Live (Oka/Merck)]

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JOHN NOSTA NOESIS

The best metrics for marketing are sales. It's easy to see if the message and creative are having any impact, especially if sales are going up.



JOHN JAKOVLIC. It's a good idea to keep the objectives narrow to start with and then broaden them once there is a better understanding of how well the current process is performing. Once the benchmarks are in place, then changes can begin to be made to increase productivity and efficiency. There are initially two areas of opportunity: internal and external. Internal opportunities should evaluate measuring and quantifying how efficiently a marketing piece, such as a sales aid, is produced. Internal metrics may range from the number of days required for medical, regulatory, and legal approval to the number of actual revisions versus estimated revisions. External opportunities are focused on measuring the return on investment. Once both sides of the equation are measured and analyzed, then best practices can be identified to span the entire marketing process.

PV. How should information be shared across functional silos to enhance productivity?

JOE GATTUSO. R&D, manufacturing, and pure business use different measures to gauge success. But it is clear that the results of one category will impact another. For example, when a target PI is developed for a drug in clinical development, there are clear implications for message/marketing work, clinical trials, and stock prices. ♦

PharmaVOICE welcomes comments about this article. E-mail us at feedback@pharmavoice.com.



JOHN JAKOVLIC GSW WORLDWIDE

It's a good idea to keep the objectives narrow to start with and then broaden them once there is a better understanding of how well the current process is performing. **Once the benchmarks are in place, then changes can begin to be made to increase productivity and efficiency.**



JOE GATTUSO MBS/VOX

Metrics should always be the natural and clear result of business plans, educational objectives, creative blueprints, and so on. **Metrics should be hard-linked to the stated objective of the particular scope of work.**



Experts on this topic

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