

# Gross-to-Net Solution

## Business challenges:

The Life Sciences industry is evolving and continuing to face pressures within the Gross-to-Net (GTN) area. GTN has traditionally been a broad accounting principle, calculated by subtracting rebates and discounts from gross sales, all of which can vary based on unique customer agreements, increasing government regulations and shifting market dynamics. Across the industry, we are seeing specific external trends playing a key role in manufacturer's GTN such as growth in medical benefit contracting, increasing 340B challenges, accumulator/maximizer impacts, and patient affordability programs.

More recently, the effort involved in forecasting the net revenue has become a seemingly complex and time-consuming exercise that requires meticulous tracking of sales data, contract terms, and legislative changes across multiple regions and products. Additionally, the evolving landscape of healthcare policies, margin pressures, and unique pricing structures further complicate the process, making it both labor intensive and prone to errors.

Life Sciences companies strive for an end-to-end GTN solution that incorporates multiple disparate data sources and inputs from different teams across Sales, Finance, and Commercial/Market Access functions.

The challenge arises with coordination across the process as well as complex requirements for data volumes and long-term scalability. Most companies rely on manual or semi-manual processes within spreadsheets or legacy systems, highly prone to errors and process limitations. The output needs to be analyzed at multiple levels of detail, with a matrix of variables that increase complexity.

A strong GTN solution needs to incorporate process, technology, data, and the team coordination across functions, who have varying use cases and requirements to act upon the critical information provided.

While the industry and market dynamics are continuing to advance, Life Science companies need to strive for a scalable and flexible technology based solution.

## CHALLENGES

### Data Complexity and Volume

- Multiple disparate data sources requiring integration including 3rd party data.
- Significantly high volumes of transactions with individual discounts and rebates.

### Process Inefficiency

- Manual or semi-manual processes that are highly prone to error.
- Legacy systems and architecture lacking flexibility, automation or dynamic capabilities.

### Change Management

- Continuous changes in business strategies, shifts in the market, and regulatory requirements.
- Introducing new solutions and processes to evolve while minimizing disruption to the organization.

### Coordination Across Departments

- Complex interdepartmental collaboration between Sales, Finance, and Market access to align on different objectives

### Analytical Complexity

- Detailed analysis requirements vary by product, customer, region, channel creates unique forecasting and scenario planning

### Scalability and Flexibility

- Adapting to growth and scaling solutions while remaining flexible to external factors and shifting dynamics

### Underutilization of Machine Learning

- Heavy manual effort and intervention with limited machine learning capabilities
- Inaccurately identifying and predicting the drivers behind GTN calculations leads to erroneous forecasting

### Information Sharing

- Lack of standardization with varying user requirements for GTN data
- Lack of sophisticated reporting and data visualization.





### Regulatory Compliance

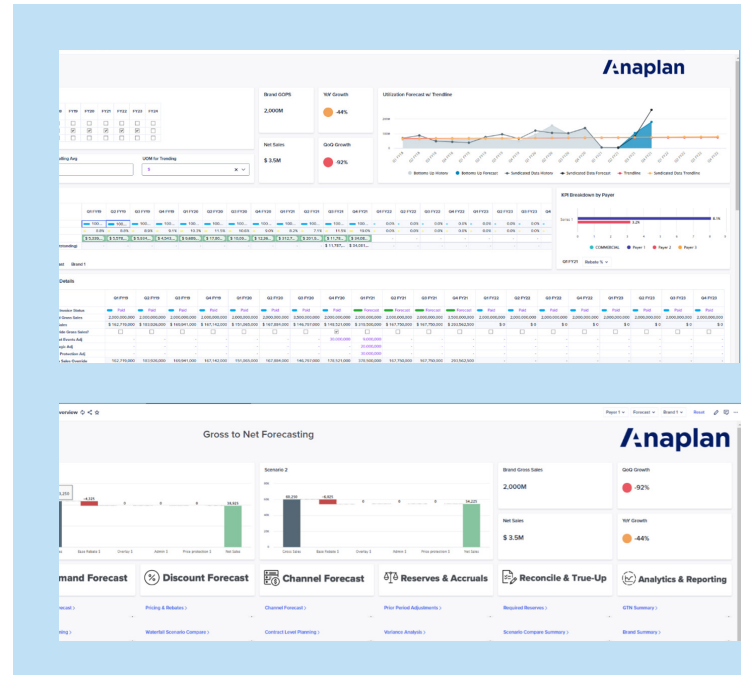
- Evolving compliance with accounting standards as regulatory requirements change
- Limited maintenance of detailed audit trails for adjustments.

# Anaplan overview:

Anaplan is a user-friendly platform that helps businesses plan, budget, and forecast collaboratively, replacing traditional spreadsheets and legacy point solutions. This platform has out-of-the-box capabilities that allow GTN teams to forecast, validate actuals, interface to ERP systems and visualize data.

## Key Solution features/benefits

-  Improve GTN forecasting and scenario planning by quarter, brand, and channel
-  Automate invoice payments interface from source systems
-  Manual override forecasting assumptions with audit/approval trail
-  Automate close tie-outs and consolidations to ensure accurate GL accounting and compliant quarter close reporting



## Deloitte's GTN Solution- Powered by Anaplan

For the last ten years, Anaplan has recognized Deloitte's success with the award of "Global Partner of the Year." Working with Anaplan, Deloitte provides deep expertise across multiple disciplines that are critical for a successful GTN transformation program – i.e., Finance/Accounting, Commercial, Market Access, Operations, Systems and Data Integration, Regulatory and Compliance, and Organizational Change Management.

### KEYS FOR A SUCCESSFUL IMPLEMENTATION



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