Deloitte. | **Anaplan**

GROSS-TO-NET
SOLUTION

Business challenges:

The Life Sciences industry is evolving and continuing to face pressures within the Gross-to-Net (GTN) areas. GTN has traditionally been a broad accounting principle, calculated by subtracting any rebates, chargebacks, and discounts from gross sales, all of which can vary based on unique payer 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 Support programs.

More recently, the effort involved in calculating the net revenue has become a seemingly complex and time-consuming exercise that requires meticulous tracking of sales data, contract terms, legislative changes across multiple regions and products. Additionally, the evolving landscape of healthcare policies, margin pressures, and unique pricing structures further complicates the process, making it both labor intensive and prone to errors. Mature 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 risk 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, the companies across the value chain need to strive for a scalable technology based solution.

CHALLENGES

Data Complexity and Volume

- Multiple data sources requiring integration including 3rd party data.
- High volume of transactions with individual discounts and rebates.

Coordination Across Departments

- Interdepartmental collaboration between sales, finance, and market access. Alignment of objectives among different departments.

Underutilization of Machine Learning

- Machine learning is currently underutilized in the GTN process. It can be leveraged to identify and predict the drivers behind GTN calculations, which could lead to more accurate and dynamic forecasting.

Process Inefficiency

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

Analytical Complexity

- Detailed analysis requirements by product, customer, region, channel. Forecasting and scenario planning with multiple variables.

Information Sharing

- Varying user requirements for GTN data.
- The need for sophisticated reporting and data visualization.

Change Management

- Flexibility for changing business strategies, shifts in the market, and regulatory changes.
- Adoption of new solutions and processes that may need to change while minimizing disruption to the organization.

Scalability and Flexibility

- Adapting to growth and scaling solutions.
- Flexibility for changing business strategies, shifts in the market, and regulatory changes.

Regulatory Compliance

- Compliance with accounting standards.
- 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.
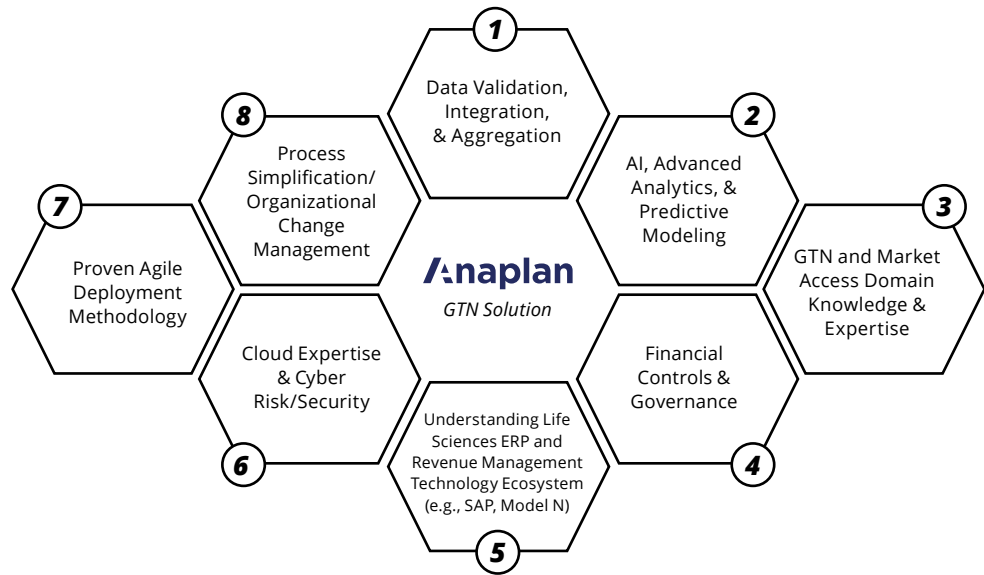
SOLUTION FEATURES/BENEFITS

- GTN forecasting and scenario planning by quarter, brand, and channel

- Automated invoice payments interface from the source system

- Manual override forecasting assumptions with audit/approval trail

- Automated close tie-outs and consolidations to ensure accurate GL accounting and compliant quarter close reporting
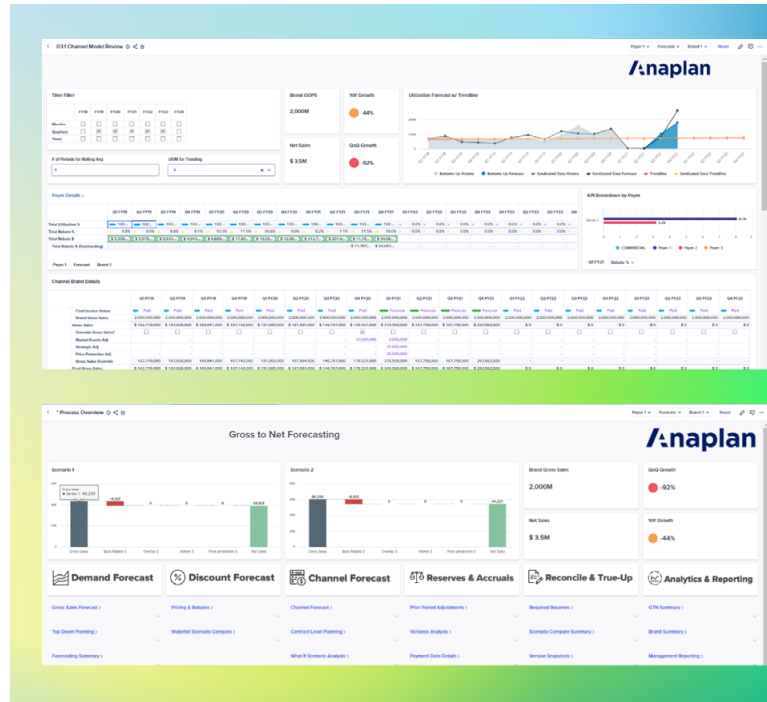
Deloitte's GTN Solution-
Powered by Anaplan

For the last ten years, Anaplan has recognized Deloitte's success with the award of "Global Partner of the Year." Deloitte can provide expertise across Finance/Accounting, Commercial, Market Access, Operations, Technology, Regulatory and Compliance, and Change Management to support a holistic approach to a technology enabled transformation in the Gross to Net process.

KEYS FOR A SUCCESSFUL IMPLEMENTATION

Anaplan GTN Solution

1. Data Validation, Integration, & Aggregation
2. AI, Advanced Analytics, & Predictive Modeling
3. GTN and Market Access Domain Knowledge & Expertise
4. Financial Controls & Governance
5. Understanding Life Sciences ERP and Revenue Management Technology Ecosystem (e.g., SAP, Model N)
6. Cloud Expertise & Cyber Risk/Security
7. Proven Agile Deployment Methodology
8. Process Simplification/ Organizational Change Management

CONTACTS

Jiwon Chae

VP of Sales
Anaplan Alliance
jchae@deloitte.com

Andy Hickey

Partner
Risk and Financial Advisory
ahickey@deloitte.com

Ed Majors

Principal
Anaplan Alliance
emajors@deloitte.com