PLANNING FOUNDATIONS

Includes my two cents on IT departments in pharmaceuticals

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A collection of surveys was published last Friday (December 15th 2017) in the "Enterprise Agility" section (page 10-11) in the UK version of "The Times".

Last Friday, on my way back from the UK I came across a survey in The Times on how IT departments deal with digital disruption. Having spent some time at large pharmaceutical corporations I immediately searched for its industry ranking and build my own conclusions.

Interestingly that the pharmaceutical sector was ranked in the last third in terms of digital maturity despite the obvious needs (track & trace, counterfeiting, advanced supply chain analytics, end-to-end supply chain planning, R&D collaboration, etc.). Frontrunners are technology companies, which is not very surprising.

In addition 43% of leaders responsible for digital transformation initiatives states that the top challenge is to keep up with the pace.

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Source: The Times, December 15th 2017, page 11 - (click on image to enlarge)

Typical obstacles for IT departments in the pharmaceutical sector are quite often difficulties to become agile and responsive due to extensive IT project methodologies that are the opposite of being agile and responsive. In The Times survey , 28% of top IT executives state that it is important to implement agile methodologies. To me a key topic for pharmaceutical companies will be how to adapot fast to ensure that key iniativies are delivered agile and in a high quality manner to climb up the maturity ladder. Knowing some of the blue chip pharmaceuticals this will mean a complete paradigm change, e.g. away from the typical waterfall methods.

Another obstacle to a change will be the cost guideline of IT procurement departments. The continuation of a low cost focus and the hiring policy of IT procurement departements towards system integrators, dealing with digital disruptions will lead to failure. Assessing the many amber to red project status of current IT initiatives in pharmaceuticals outlines where the problems are and how difficult it will be to adopt to the coming digital transformation challenges.

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Source: The Times, December 15th 2017, page 11 - (click on image to enlarge)

According to the survey the main focus on digital technology spending in 2017 was data and analytics. This is together with the big data acronyms for many years a hype topic and another area where pharmaceutical companies struggle due to heterogeneous and non-integrated processes. Missing standardization is one roadblock in getting meaningful analytical results that are comparable across organisational units, manufacturing sites, etc.

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Source: The Times, December 15th 2017, page 10 - (click on image to enlarge)

Despite the changing customer expectations the improvement of operational efficiency is the second most important need for digital transformations (52%). The operational efficiency initiatives will in the pharmaceutical sector go hand in hand with the need to adapt to changing customer expectations. For instance without having the operational capability to react on patient centricity and

smaller dosage forms it will be difficult to meet changing customer requirements.

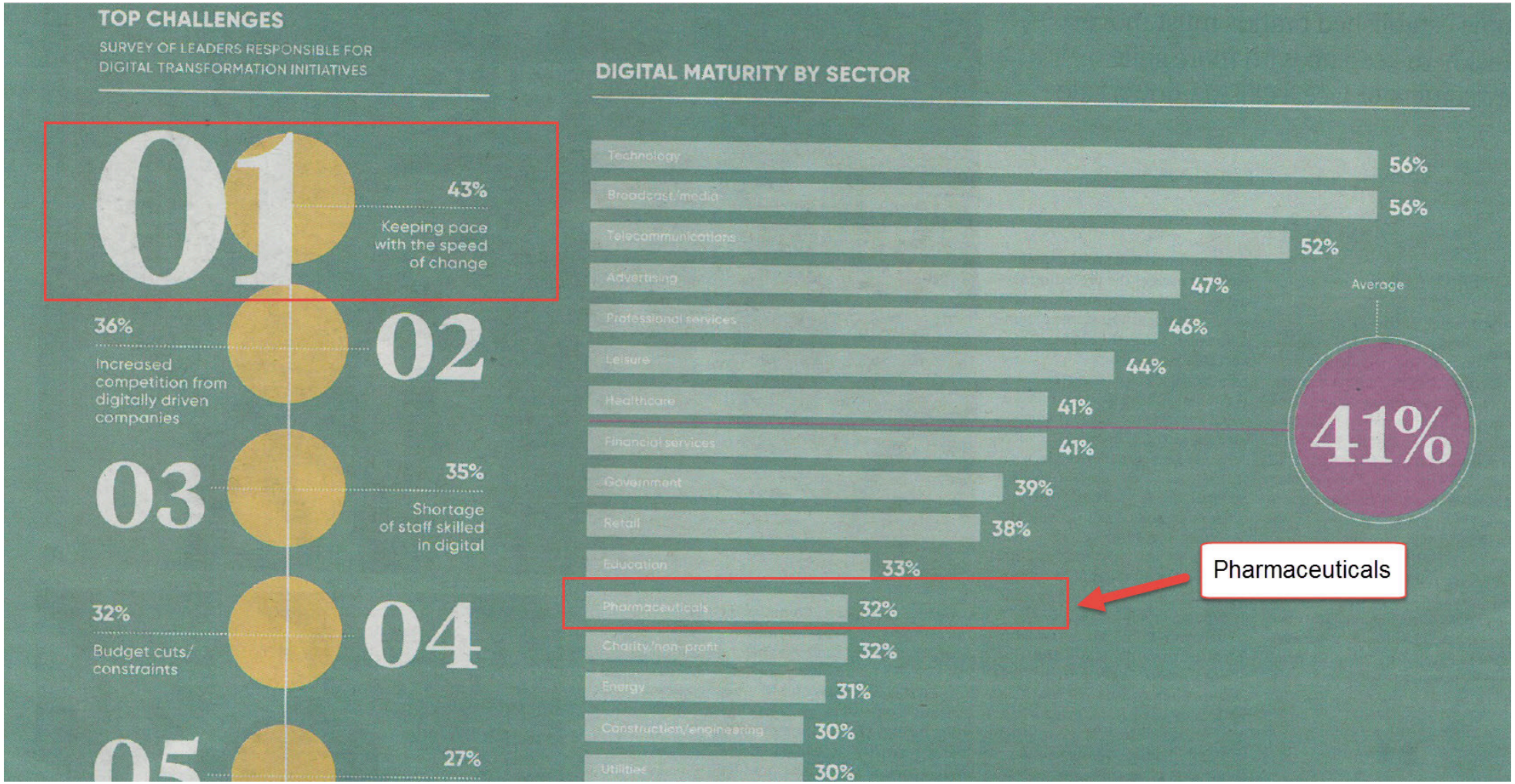
See Figure 4 · page 6

Source: The Times, December 15th 2017, page 10 - (click on image to enlarge)

> ***What's the digital transformation focus and speed in your organisation?***

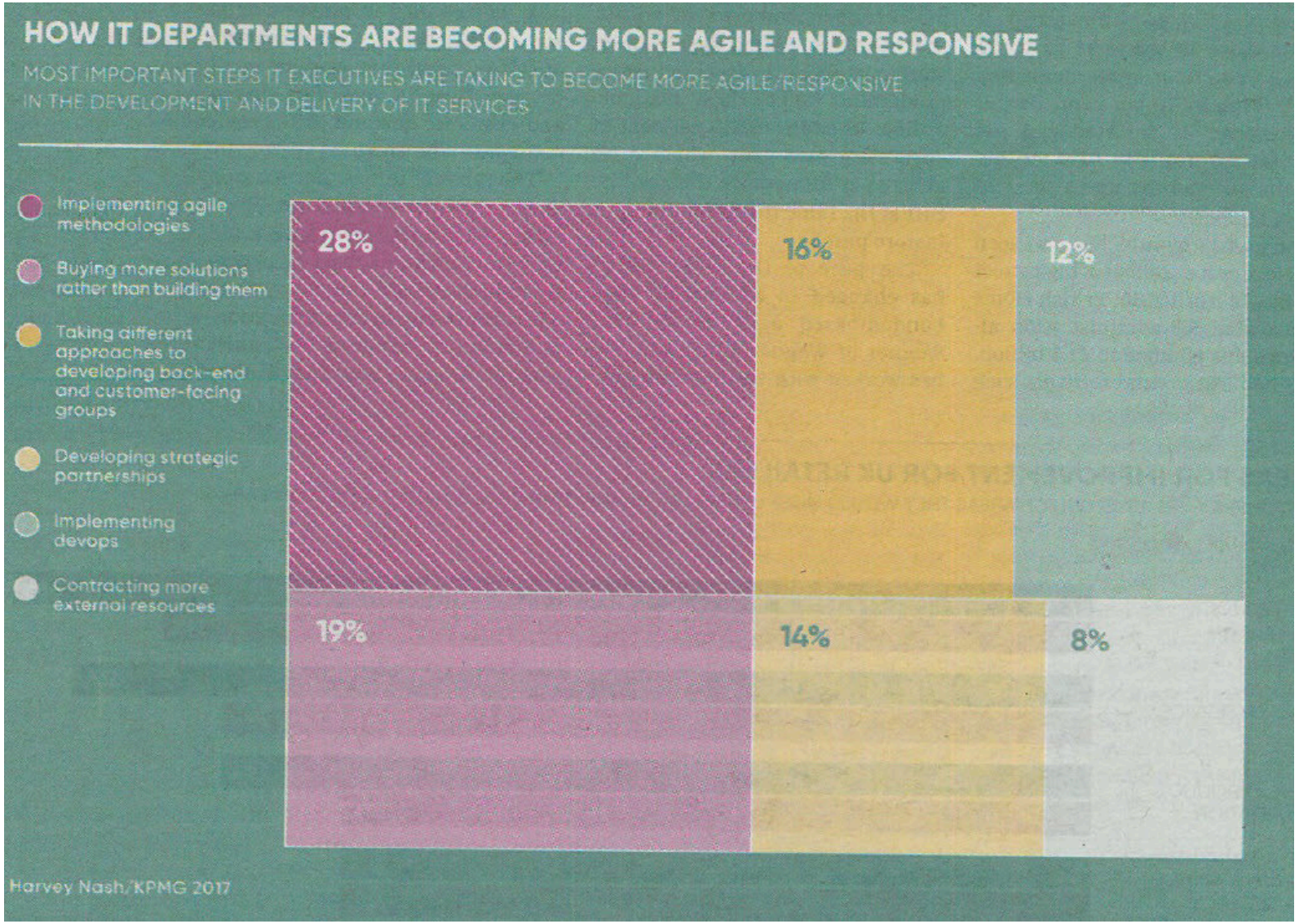
Link to the orginal source of the infographic. #Digital, #DigitalDisruption, #IT, #Pharmaceuticals, #Pharma, #Technology

Figure 1



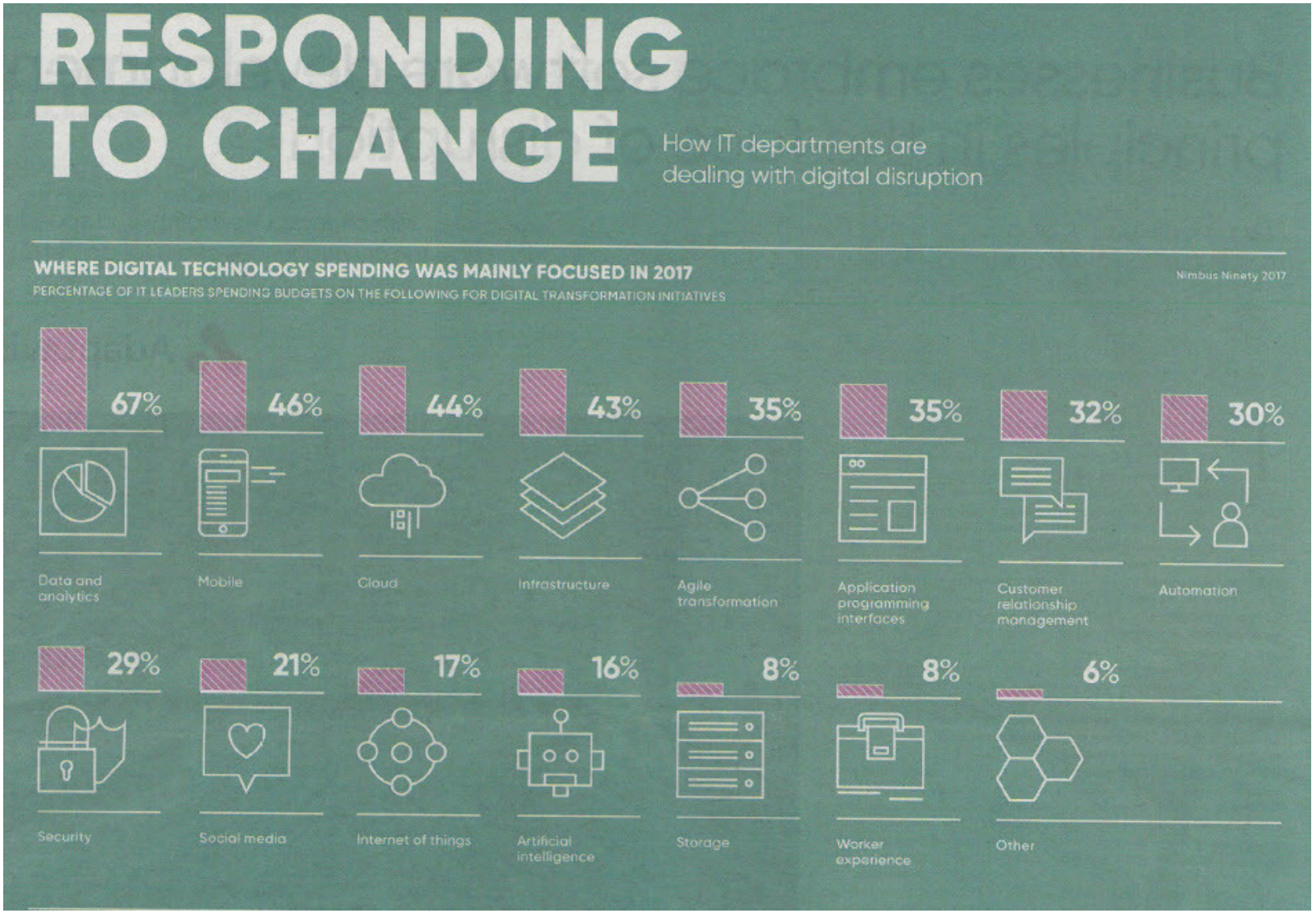
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Figure 2



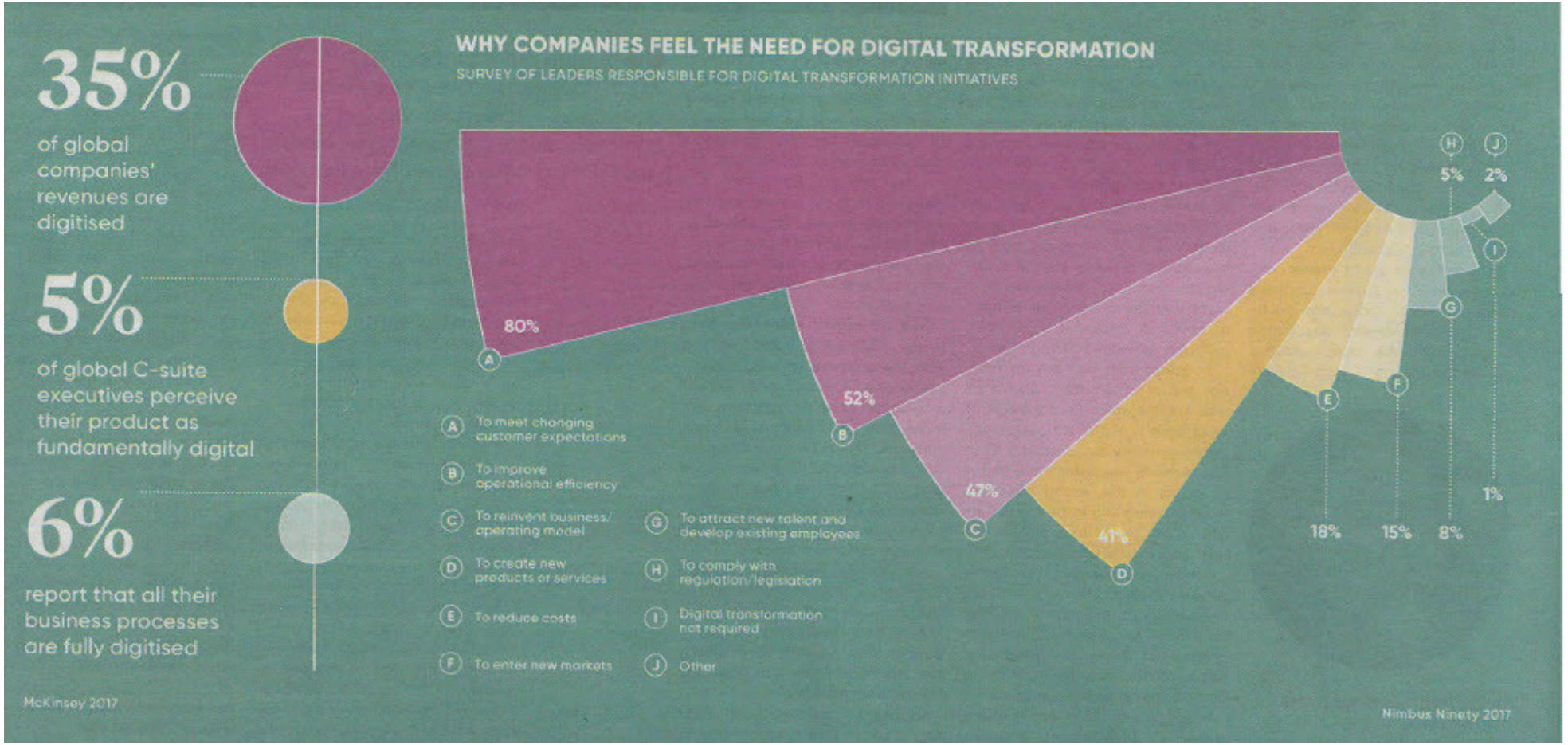
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Figure 3



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Figure 4



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