

The True Cost of Transparency

August 2016

At a glance

- Companies continue to make **significant investments** to comply with transparency regulations, and many are **exceeding budget estimates**, often by substantial amounts.
- Through understanding current costs – of resources, processes, enabling technology, and more – companies can implement **effective strategies that increase data quality while reducing costs**.
- PwC's data management center of excellence enables companies to **outsource activities that are not core to their business** – and **achieve significant cost savings**.

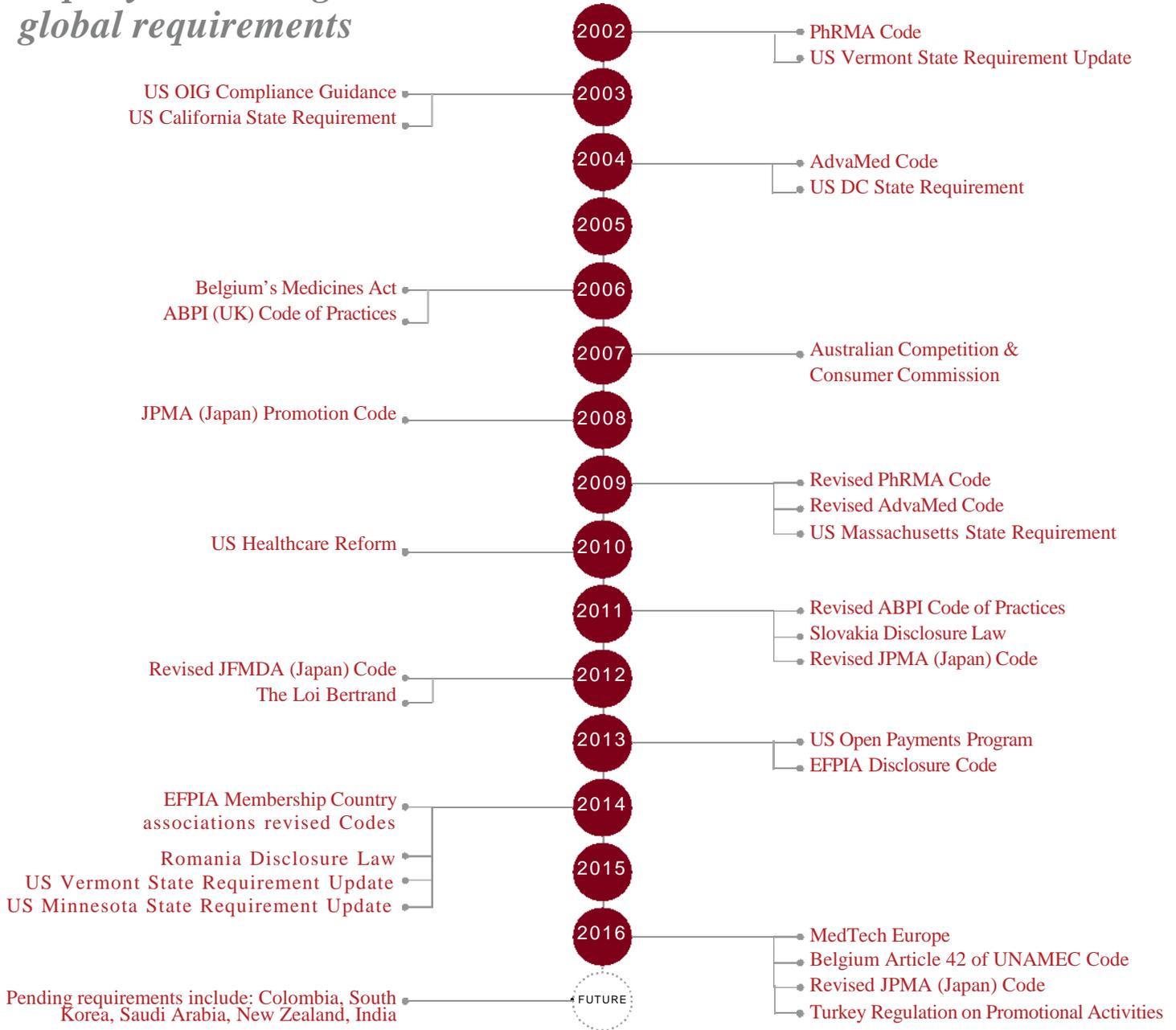
Less than a decade ago, only five US states required life sciences manufacturers to disclose their financial relationships with healthcare professionals (HCPs) and healthcare organizations (HCOs). **Today the transparency movement is accelerating across the global life sciences landscape, with no signs of slowing.**



Today **more than 60** disclosure reports are mandated by 40 countries on four continents.

Source: PwC analysis of global transparency reporting requirements accessed via online research, industry conferences, and PwC benchmarking (February 2016)

Rapidly increasing global requirements



With the expansion and increased complexity of global transparency requirements, it is important for companies to reevaluate their strategies and make investments that will contain costs and improve the likelihood of compliance. Regardless of the maturity of their transparency programs, companies should examine their transparency-related costs and consider whether their programs are operating as efficiently and cost-effectively as possible.



Optimizing program costs



Resources

- Full-time
- (salary + benefits)
- Part-time
- HR and hiring costs
- Contractors / third parties



Data capture systems

- System enhancements
- System maintenance
- Integration with data management and reporting solutions



Data management and reporting solutions:

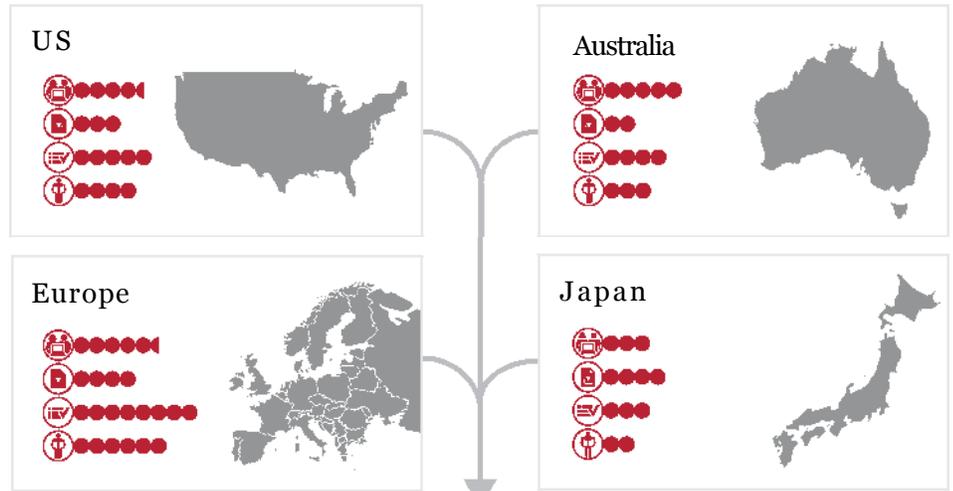
- Acquisition costs
- Solution maintenance
- Solution enhancements
- Integration with data capture systems



HCP master data

- Subscription costs
- Maintenance costs

Decentralized governance



Centralized governance



●●● \$ investment / costs for each component

PwC has supported many companies in shifting to a centralized governance structure.

Doing so can eliminate redundancies in resources, business processes, and technology while creating a set of standards to be shared across all geographies.

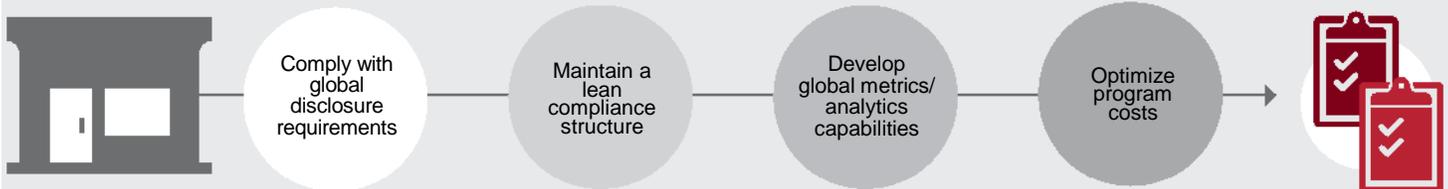
A strategic approach to transparency: One company's solution

The Problem

A mid-size pharmaceutical company had just worked through company-wide transformations required to implement the US Open Payments Program. The company had invested heavily in enhancing source systems, consolidating business processes,

and purchasing multiple software solutions, only to find that its investments lacked the flexibility and scalability to meet new and evolving global disclosure requirements.

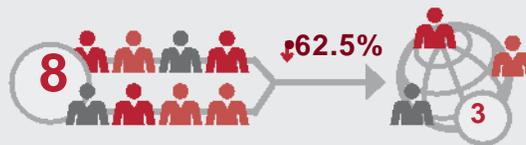
The Strategy



The Results



The company outsourced data stewardship processes that were not core to its lean compliance function.



Instead of adding 8 FTEs, the company outsourced the work to 3 FTEs with more expertise in data stewardship and local language skills.



By outsourcing non-core activities, the client team could focus its resources on creating a data analytics and monitoring capability, and provide greater value to the business.

What we propose

PwC can review your company's transparency program, quickly identify key cost components - both historical investments and ongoing operating expenses - and compare alternative

operating models. With a simple workshop, we can initiate an analysis that could help you identify a cost-effective and sustainable program strategy.

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