



Commercial Effectiveness Analytics



The Bridge from Math to Transformation & Value Creation

The combination of “big/smart data” and commercial effectiveness analytics is providing companies unprecedented transparency into what the most effective combination of their investments should be. Commercial effectiveness solutions focus across a company’s investment portfolio honing in on how sales, marketing, and operations’ budgets can be optimized holistically in order to take advantage of the best investment strategies within them as well as synergies that lie between them while factoring in competitive, seasonal and economic variables.

Market leading companies are leveraging commercial effectiveness solutions to improve and optimize the effectiveness of their marketing, sales force and operational investments.

Because of their holistic nature Commercial Effectiveness Analytics provides a ‘true’ read into the quality of an organization’s investments as well as a roadmap to optimizing a set of ‘next best actions’ that efficiently drive sales, profits and share.



ROADMAP TO VALUE

The roadmaps to incremental value that are being created enable leading companies to identify and quantify financial opportunities that were formerly hidden just below the surface in the data and behind processes consistent with conducting “business as usual.” Because the ROIs are derived as a result of factoring in a holistic mix of organizational investments capturing the true synergies and attribution effects, the outputs accurately project to realistic business planning scenarios. This in conjunction with organizational buy-in and consultative support is unlocking tremendous value – often measured in the hundreds of millions of dollars.

“The ability for Janssen to better understand the effectiveness of sales, marketing and marketplace dynamics in a holistic way is providing us with meaningful and measurable financial and competitive advantages. We are tapping into the considerable data at our disposal and fully integrating it and the related predictive analytics into the business processes, dramatically improving our ability to optimize our commercial investments on an ongoing basis.”

–JIM GABRIELE

VP Commercial Analytics & Operations
at The Janssen Pharmaceutical
Companies of Johnson & Johnson



GAINING BUY-IN FOR TRANSFORMATION

But identifying and unlocking those opportunities and their value has become the easier part of the equation as “big/smart data” abounds, as do analytic measurement and tracking solutions and tools. “The bigger challenge lies in changing ‘business as usual’,” said Pat Cummings, CEO of Marketing Management Analytics (MMA). In a recent presentation to a CEO and his board there was clear and consensus buy-in to the potential value in moving forward with a commercial effectiveness solution. The CEO voiced one concern, “We think this is very compelling and we’d like to go forward but before we do I need to understand one thing. Those in the room here are convinced we need to do this but we need to understand what you are going to do to get my team, their teams and their teams’ teams to understand and put what you’re proposing into action every day?”

Companies implementing commercial effectiveness, marketing mix modeling, pricing, testing and other forms of analytics and business measurement are finding this to be the biggest challenge to making their clients successful today. Organizational business processes have often been in place for decades and are regularly followed by people who have an established rhythm and developed “gut instincts” that often don’t include data driven analytics. In order to take advantage of these powerful solutions that are driving hundreds of millions of incremental dollars in leading organizations, companies must be committed to understanding, integrating and leveraging them on a daily basis, as well as embedding them into ongoing business processes. They must be willing to transform and get the support to do so – both externally and from within.



DRIVERS OF COMMERCIAL EFFECTIVENESS SUCCESS

In assessing the requirements necessary to successfully implement commercial effectiveness the organization needs to be able to quantify, measure and track the value it creates. Being able to create “proof of value” is essential to a winning transformation. By implementing processes designed to drive assimilation, like those below, the probability of success grows significantly.

- 1 Gap analysis** – Where are we today, where do we want to go, what is required and what should expectations and metrics for success be?
- 2 Executive sponsorship and buy-in** – Top down sponsorship, leadership and engagement is essential to getting an organization to behave differently.
- 3 Cross-functional participation** – Investments are connected. Commercial effectiveness optimizes across key customer related investment areas that are impacted by cross-functional teams.
- 4 Relevant training** – Stakeholders need to be trained in a way that supports a change in behavior which requires relevant, ongoing and timely training. Vendors need cross-functional training on how the organization goes to market and operates to effectively provide this training.
- 5 Governance model** – A regular and two-way communication and governance process needs to be established at each key stakeholder layer aligning appropriate level stakeholders and holding them accountable to maintaining a regular cadence of dialogues related to the initiative, progress, gaps, innovation and marketplace changes.
- 6 Value tracking** – Measuring and tracking the value in terms of revenue, profits, productivity and organizational effectiveness is core to establishing long-term buy-in and adoption.



Implementing a winning strategy that enables an organization to see and plan into the future requires that all layers of the organization understand, trust and apply the insights. For those companies that are able to do so the value is being measured today in terms of tens and hundreds of millions of dollars. Even more importantly, the competitive advantages of being early adopters is creating a widening gap between them and their competitors that will only widen as more data comes available faster in a world that is increasingly making data driven decisions in real-time.

“The need to establish and embed commercial effectiveness analytics into Janssen was clear given the potential value we knew we could generate from them. So were the challenges we suspected we’d face in changing behaviors and getting the key cross-organizational stakeholders and key users to understand, trust and adopt the new processes. We knew from the beginning that this effort was, at its core, a change management exercise. We would need to educate and enroll all parts of our organization about the financial and strategic benefits of measuring and improving our drivers of demand in a systematic, fact-based way. Governance processes were established up front and designed to provide transparency of the math and science, but also to help commercial teams make difficult decisions and drive assimilation of the findings into key business processes. We knew it would be a long term commitment to implement, scale and continuously evolve our organizational processes in order to retain the competitive advantages that commercial effectiveness provides.” –JIM GABRIELE

