Three key considerations for compliance in pharmaceutical and life sciences

Building a robust, tech-enabled program

pwc

Compliance monitoring programs serve two great needs for pharmaceutical and life sciences (PLS) companies. They are essential to both mining risk insights and alerting stakeholders of additional ways the compliance function can support business needs.

For PLS companies who often **rely on third parties** to create and market their products, tracking, reporting and managing third party interactions in a systematic way is critical to remaining compliant.

Unfortunately, over **a third of risk leaders** report that their risk function isn't actively seeking external insights to assess and monitor risks. But there is a growing awareness that advanced data and technology solutions can increase the effectiveness of compliance programs, and **65% of business executives** are increasing their overall spending on risk management technologies that can help them take a more proactive and tech-enabled approach.
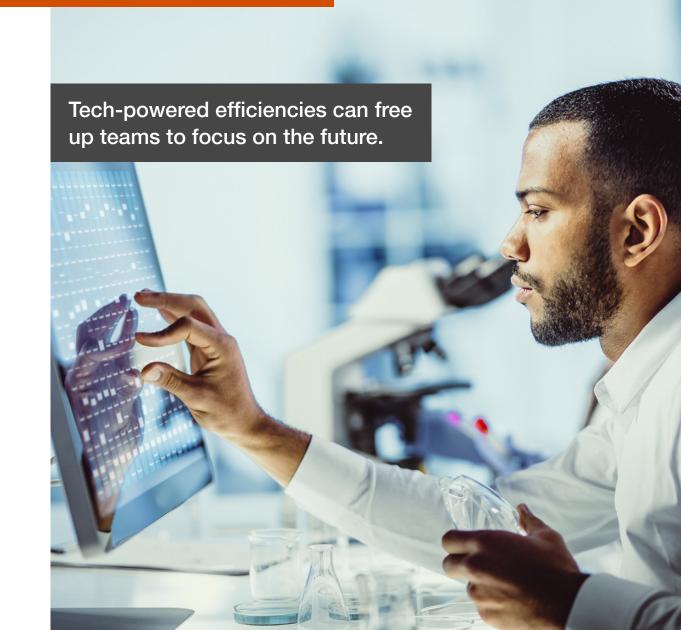
Reaping the benefits of tech-driven compliance

Pulling data manually using spreadsheets and paper reports is a time consuming process that can be rife with human error. This approach used to make sense for PLS organizations trying to fully understand their data and the risks they wanted to mitigate. Today, you should conduct risk assessments faster and in more impactful ways, identifying additional data on trends and behaviors. A more sophisticated system is necessary to level up.

Consider the need to scan a large number of documents for contractual terms. Without the use of technology, compliance managers must review and test small samples of documents and extrapolate the information. With advanced technology—like intelligent automation and process mining—they can quickly test a whole population and check user logs to understand where people deviate from standard processes.

Tech-powered efficiencies can free up teams to focus on the future. Instead of being reactive to the ever-changing realities of PLS, technology allows companies to become proactive. And yet the journey toward an automated, proactive approach to compliance doesn't happen overnight. To achieve the full benefit of a compliance technology solution, organizations should fully understand the information it has and the risk it's trying to mitigate.

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Three key considerations

To achieve compliance program effectiveness proactively, organizations should move slowly and intentionally. The goal is not just to build a program, but to build a successful one. This three-pronged approach can help secure valuable results for your organization:

1 Understand the data

Starting the process is often the most difficult part of an organization's compliance journey. Before you can understand the data, you need to identify where it lives before pulling it together and analyzing it. Depending on the structure of your business, your data may exist in disparate systems around the world.

Once in hand, the next step is to ask questions that will inform your data analytics. These questions can be broad (e.g., "How do I identify if there's an increased risk in the market?") or specific (e.g., "Who is using the miscellaneous expense category?").

Businesses may begin by thinking through key markets or regions, and what activities within those markets relate to specific systems. The act of coming up with questions around these key activities and systems helps identify the biggest issues and determine the future focus for your organization. You've already likely identified these issues through traditional data mining and analysis, but this exercise formalizes the process.

As organizations perform this holistic exercise against the compliance framework, the initial pain points are typically associated with risk monitoring or assessment. You can easily identify these issues by acquiring and visualizing a single data set. For example, you may learn that travel and expense monitoring takes your organization a lot of time, which a tech solution can easily address. As your organization continues collecting and analyzing data, it can likely uncover other issues that technology can address as well.
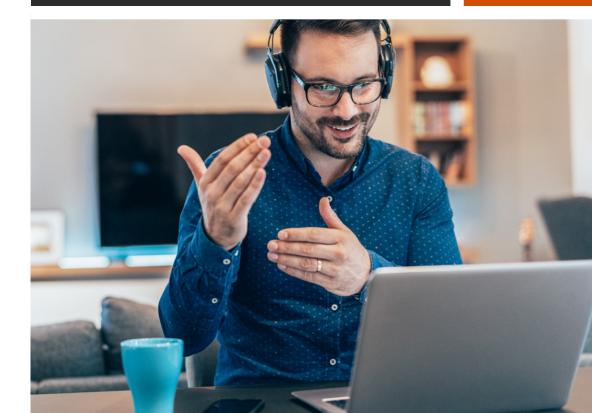
2   **Find a strong IT partner**

Once an organization understands its data and identifies its biggest pain points, it's critical to find a strong IT partner and integrate them into the process early on. IT experts understand what's possible in addressing compliance challenges with technology and can help make sensible decisions about where to start.

Having an IT partner involved upfront saves time and can lead to greater implementation journey success. Building a team that works together around technical conversations allows project plans to progress in a meaningful way.

Early on, IT experts can identify solutions you wouldn't have considered. For example, in the beginning of a solution design, your IT partner may suggest portability knowing you may want to move to a different reporting solution in the future. That early suggestion may lead to building a system that allows for a seamless switch in the future.

Finding a strong IT partner, having a good plan of attack and focusing on a tight, actionable area for building your program can make the journey to compliance effectiveness smoother.

3 | **Identify synergies across your organization**

As an organization develops its compliance program, observe what's going on elsewhere in the company. Compliance isn't the only team looking to use data and analytics technologies to increase effectiveness. Finance department staff may, for example, look to feed their ERP payment data into working capital cycles. Finance has already acquired the data. If compliance is aware of it, they can tap into the work that's already been done.

This type of synergy helps avoid duplication of work and also helps the bottom line. Compliance may not have a huge budget for new technology, but if the team can find commonalities in other departments, they may be able to work together and share resources.

As organizations identify synergies and look to implement new technologies, there's an opportunity to **upskill** employees on building and using these advanced tools. Technology capabilities are great—but an even better scenario is when your workers know how to leverage it.

What's next for PLS compliance technology?

Technology continues to evolve. In five to ten years' time, technology will open doors we can't even imagine today. With the time freed up from modern technology, organizations can spend energy and resources innovating. In the near term, organizations can use the work they're doing to identify where they can embed more controls within their systems. This can enhance monitoring and make compliance easier for all.

As teams begin to better understand existing data and technology and partner with strong leaders on the front end, they can gain real-time insights into the business. The goal is using systems that support internal and external stakeholders as they get business done, help maintain compliance and deliver a quality experience for users.
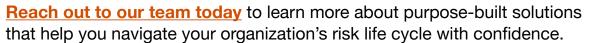
Streamlining risk compliance, reporting and interactions

PwC caters to PLS companies' needs for managing their third-party relationships (and their associated regulatory and reporting obligations):

- **Interactions Hub** digitizes and streamlines HCP/HCO engagements and external funding activities, enabling compliance.

- **Transparency Hub** automates global spend transparency data management and reporting.

- **Risk Detect** automates and digitizes compliance risk assessment, monitoring plan development, monitoring execution, analytics and reporting by taking advantage of PwC proprietary pharma key risk indicator (KRI), monitoring checklists and reporting content packs.

Reach out to our team today to learn more about purpose-built solutions that help you navigate your organization's risk life cycle with confidence.