What you need to know

Data Boom 2.0: The Power of Real-Time Data

25 years ago pharma used new data to deliver a step change in value. The same conditions exist now and leaders have the opportunity to create a similar step change in value. We outline lessons from the last “data boom” to inform today’s commercial pioneers.

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Biopharma is once again on the brink of a revolution: advancing science has created a revolutionary mass-market drug class and a data boom is posed to transform commercialization. 25 years ago, the drug class was statins, and the data source was point-of-sale prescription claims data. Today, GLP-1s represent the breakthrough drug class, while granular, real-time contribution margin data creates a new commercial frontier. By comparing the industry of 2000 with today, we highlight the advantages available to early adopters. These lessons apply to all mass market products, particularly those in the launch phase.

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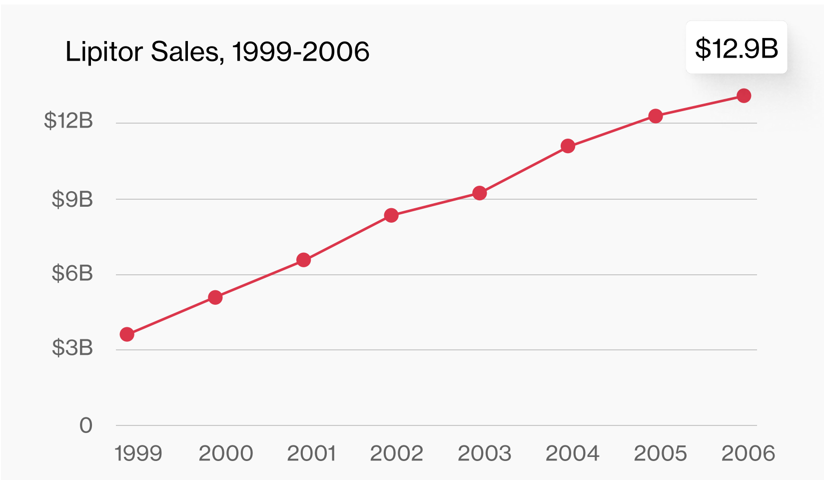
Lessons from Lipitor

In the 1990s, pharmaceutical companies relied on healthcare providers (HCP) lists based on publications and conference attendance to inform their go-to market. Pfizer realized it could aggregate de-identified pharmacy point-of-sale prescription claims data, capturing the volumes of different drugs that HCPs were prescribing. In this context, Pfizer purchased Warner-Lambert in 2000 for ~$90B. The main value driver in the deal was the blockbuster Lipitor, a drug which Pfizer previously co-promoted and saw higher potential in.

From 1999 to 2006, Pfizer grew Lipitor's revenue from $3.8 billion to $12.9 billion, cementing Pfizer as an industry leader



Here, we draw 3 key lessons from Pfizer's success:

1

Adopt new technology to access new data

What started as data mailed to Pfizer on CD Drives to upload to mainframes gradually became increasingly automated. In doing this, Pfizer's enterprise asset paved the way for today's claims data industry.

2

Think "step-change"

Pfizer was able to significantly increase its quantity and quality of data. It uncovered new variables (e.g., script volume aggregated by HCP). Further, it increased refresh frequency (e.g., quarterly vs. annual data), making the data more actionable.

3

Close the loop to amplify the impact

By measuring scripts at HCP offices Pfizer could see which commercial actions (e.g., rep visits) were driving script volume. This led to the industry reach and frequency model: prioritized HCP targets with defined call volume goals and robust sales force performance management (including incentive compensation).

Applying these lessons to today's pharma commercialization

The past 25 years have seen advances such as CRM systems, omnichannel engagement, and Next Best Action. Yet, the core go-to-market model – relying on claims data – remains rooted in Pfizer's early innovations. To modernize, manufacturers must adopt a Prescription Lifecycle Management Platform (PLMP) that integrates real-time, ecommerce-like data. At BlinkRx, our PLMP offers two game-changing innovations:

> **Real-Time Access**
> Data delivered in real-time, as opposed to monthly or quarterly lagging data as is typical in the industry
>
> **Contribution Margin Data**
> The ability to provide contribution margin data at the individual prescription level, augmenting today's already available volume data

We call this the Real-Time Rx Graph: a dynamic system capable of grouping data at any level, offering unprecedented visibility and actionability. By making this data foundational to their go-to-market strategy, today's innovators can replicate Lipitor-like success.

Pharma industry transition to Real-Time Rx Graph technology

	Early 1990s	Pfizer 2000	Today
How it is measured	Peer networks	Claims aggregators	• Claims aggregators and transaction data
What is measured	Scientific publication sales	Prescription volume	• Prescription volume (first fill conversion, adherence) • Prescription profitability (plan demographics, patient out of pocket, PA performance)
When available	At launch, rarely updated	One quarter lag	• Real-time
Which functions	Sales	Sales and marketing	• Sales, marketing, market access and patient services

The same three lessons from Lipitor's success 25 years ago apply today

1

Adopt new technology to access new data

The Real-Time Rx Graph enriches traditional aggregator data with live platform-sourced insights. Data can be visualized, shared and acted on in real time.

> BCG's research on time-based competition finds that "companies are obtaining remarkable results by focusing their organization on responsiveness", highlighting a set of companies that use 3x-4x faster turnaround time than industry average "to grow at least three times faster than other companies in the industry and with profitabilities that are more than twice the industry average[1]"

2

Think "step-change"

The Real-Time Rx Graph introduces multiple new KPIs, such as the contribution margin of each script after considering each patient's support, channel fees and PBM rebates. Across the BlinkRx platform, we see a 100 percent contribution margin difference between lowest and highest quartile scripts for the same brand. We also see almost no correlation between HCP size and contribution margin. Both these data points signal an industry exerting significant effort to drive low-margin scripts.

3

Close the loop to amplify the impact

We are already facilitating closed-loop use cases across sales force execution, market access negotiations, patient services design and more areas. To illustrate the upside...

> When we created one client's target HCP list using the Real-Time Rx Graph, the top 1,400 physicians they could reach represented two times the contribution margin versus legacy volume-based methodologies. On top of this, BlinkRx is able to improve patient medication fulfillment rates by 50-100% on average across all our clients.

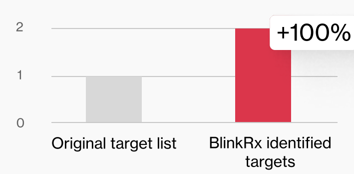
> In our view, the next generation of industry winners will be the ones quickest to incorporate the Real-Time Rx Graph into their go-to-market model

Time-based Competitors: Estimated Performance[1]

Category	Response difference	Growth	Profit
Retail	80%	36% vs. 12%	19% vs. 9% ROCE*
Industrial goods	66%	15% vs. 5%	10% vs. 2% ROC*
Manufacturing	75%	9% vs. 3%	40% vs. 10% RONA*
Furniture	70%	12% vs. 3%	21 vs. 11% ROA*
Financial Services	85%	100% vs 3%	N/A

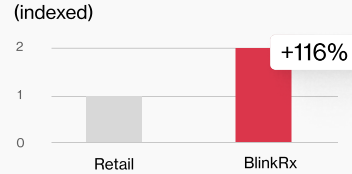
*ROCE = return on capital employed; ROS = return on sales; RONA = return on net assets; ROA = return on assets

Prescriber Contribution Margin
(indexed)



BlinkRx Analysis

Patient Medication Fulfillment
(indexed)



BlinkRx Analysis

[1] Stalk, G. (2003). Competing against time: How time-based competition is reshaping global markets (Paperback ed.). Harvard Business Review Press.

At BlinkRx, we want to invest and work with industry leaders to make this transition to Real-Time Rx Graph technology a reality. We will publish more articles highlighting the use and impact of this data and work with pharma manufacturers to help pioneer these new approaches. We are excited to continue the conversation.

Get in Touch

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