# PERFORMANCE METRICS

A robust data strategy is essential to optimal commercial performance. However, most companies use dashboards that provide only a limited set of lagging indicators of performance with little information to guide diagnostics. A new approach to performance metrics can provide both predictive and diagnostic information for actionable insights.

Typical product launch or program implementation dashboards track three elements:

Launch Dashboard	Program Implementation Dashboard
TRx or NBRx	Program Implementation
Formulary Coverage	Total Program Reach
Launch Readiness Timeline	Program Reach to Targets

Performance Metrics – A New Approach
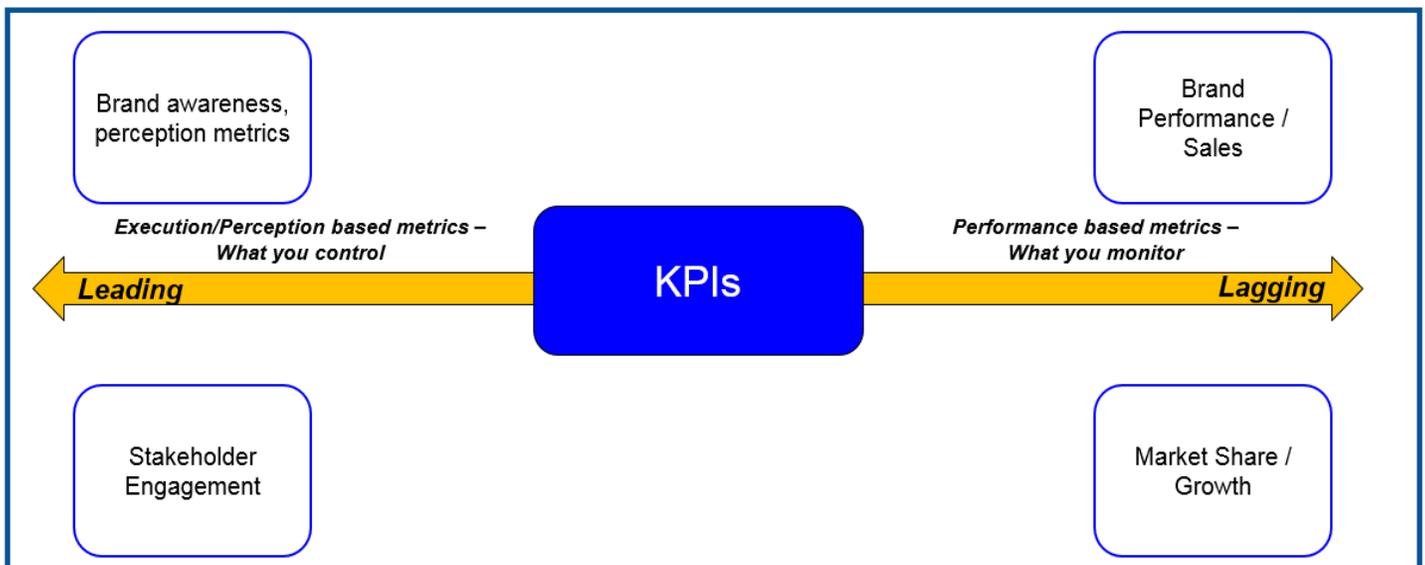
Key performance indicators within reporting metrics need to include both leading and lagging indicators. This will allow business leaders to evaluate the health of the business now and in the future. Leading indicators will foretell future performance. Are reps talking to the right targets with the right message at the right time? Are new programs rolled out in a way to build awareness? The combination of both leading and lagging indicators provides a predictive and reactive set of metrics for brand management.

Establishing the New Paradigm

Typically, companies go through a progression in their effort to improve data utilization, with the first step being initial data purchases and high-level KPIs and the ultimate goal being well-established leading indicators that drive productivity.

Figure 1: Typical Company Progression for Data Utilization
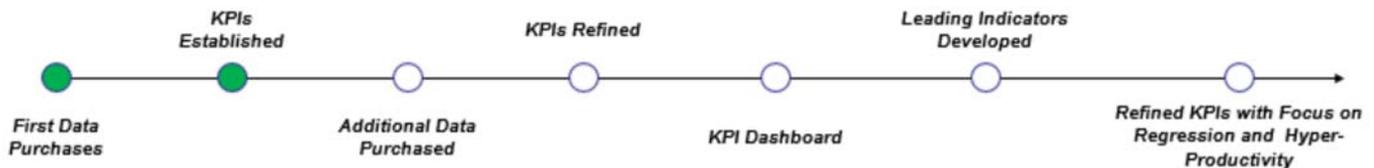
For companies that are looking to improve data strategy a three-step approach is recommended:

♦ Identify the most important set of KPIs to evaluate predictive and absolute performance. Try to **standardize KPIs** as much as possible across brands, including a **combination of leading and lagging indicators**

♦ Conduct **a gap assessment** on data sources to support these metrics

♦ Enable visibility and **define communication channels** across key stakeholders, and identify actions/ corrections expected based on KPI triggers

*Figure 2:* Sample Overview of Corporate Data Needs
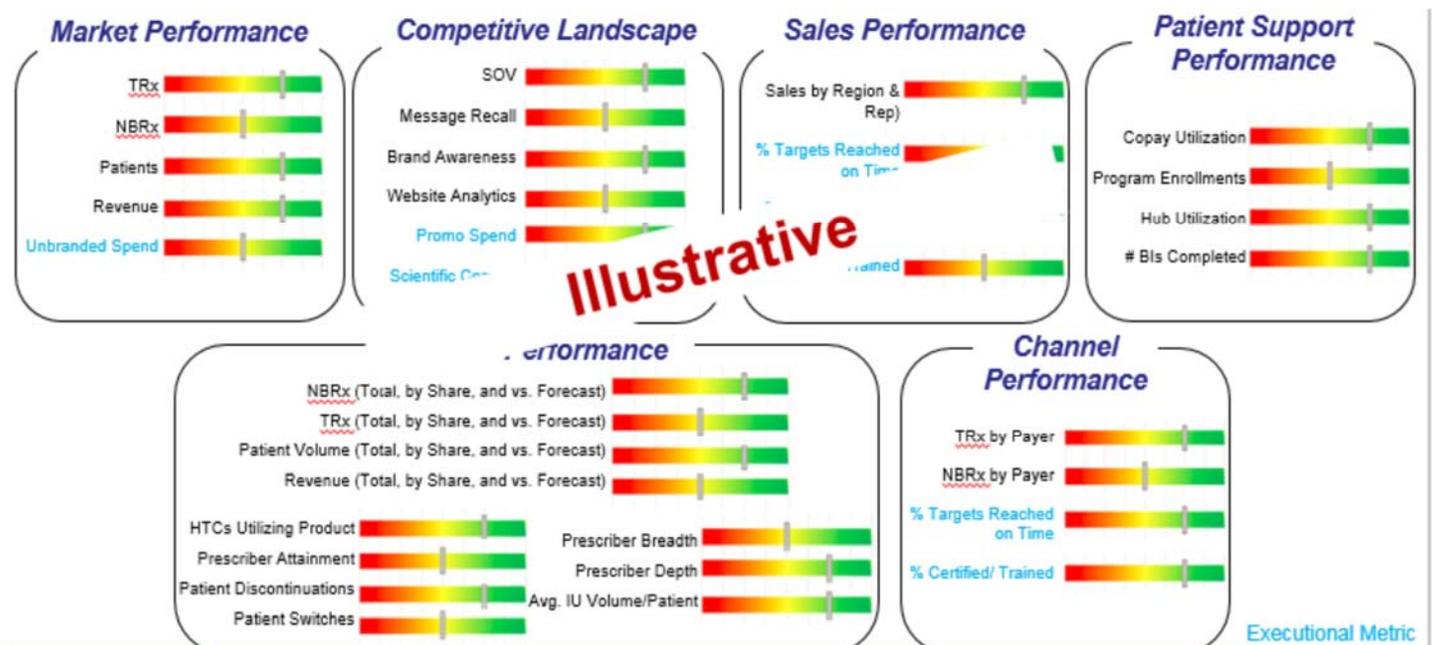
The communication path around performance metrics is just as important as the dashboard itself. In our experience, the monthly tracking dashboards go to senior leaders in the organization. When numbers fall below expectation a series of calls or discussions trickle down through organizations in an effort to identify problems. All stakeholders put aside planned work to respond to these inquiries.

A New Approach to Communication

When dashboards include leading and lagging indicators organizations can identify problem areas in advance and investigate problems. Communication up through the organization can then pre-empt challenges and provide mitigation plans.

Figure 3: Schematic of Leading Indicator Communication Flow
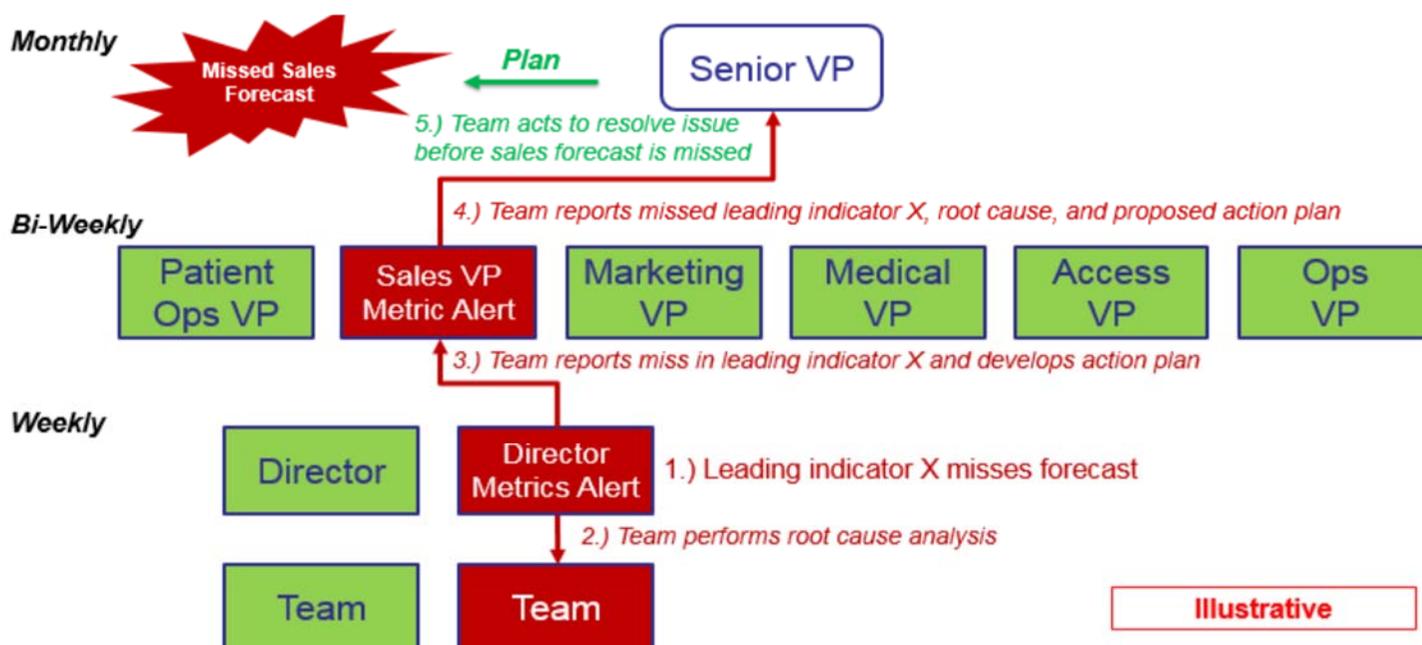
DATA STRATEGY CASE STUDY

Overview: Herspiegel Consulting (HC) was hired to support a client with a recently launched product that unexpectedly experienced a downturn in NBRx. HC was tasked with performing a root cause analysis and recommending corrective actions.

Methodology: HC utilized a structured approach to perform the root cause analysis:

♦ Reviewed NRBx data and brand background documents

♦ Interviewed the brand team for insights

♦ Gathered various data sources for brand performance metrics

♦ Performed simulations and linear regression analysis to identify each metric's significance in predicting NBRx and level of independence from each other

♦ Reviewed results with brand team and formulated recommendations for corrective actions

Outcome: HC successfully identified two leading metrics that could predict NBRx 90 days out at a 95% confidence interval. Based on those metrics, HC was able to both recommend and implement corrective actions.

Conclusion

Data strategy is a key component to commercial performance and an experienced partner is helpful to catalyze that process. **Performance management strategy should incorporate leading and lagging indicators and be designed for active diagnosis and decision making.** Ideally, pharmaceutical and biotech companies utilize a partner with experience across both data strategy and commercial excellence for this type of project. Herspiegel Consulting specializing in the pharmaceutical industry, has the relevant brand management, analytical expertise, and project experience to helps teams enhance the value of their performance management analytics.