

# Business Valuation

Accelerating Performance by Calculating Results™

## **Pharmaceutical Firm:** *Global Management of Digital Brand Assets Reduces Product Time to Market*

### **Global Pharmaceutical Firm: Consumer Healthcare Products**

With \$3B, this pharmaceutical company develops and commercializes innovative products for specialty markets.

### **Paxonix, a subsidiary of MeadWestvaco Corporation**

[www.Paxonix.com](http://www.Paxonix.com) provides brand & packaging asset management & workflow software to pharmaceutical and CPG industries.

### **Challenge & Goals**

Create and manage a global digital asset solution that offers role-based hierarchical access for security and audit history, quality control processes and FDA compliance for electronic signatures.

### **Strategy & Scope**

Select & deploy a hosted web-based solution that supports MacIntosh based graphic files.

### **Valuation**

- ✓ Attained global visibility into process, productivity and performance
- ✓ Reduced FDA approved product time to market by over 10%
- ✓ Eliminated 10 working days from label/artwork review cycle
- ✓ Reduced global shipping costs due to artwork review cycles

Customer Intelligence Business Valuation

### **Business Challenge:**

Operating a globally decentralized organization of over 5,000 employees, this pharmaceutical firm has 4 research and development facilities and several manufacturing plants that produce and distribute products in over 100 countries. Its discovery-to-development research programs focus on the commercialization of innovative products for specialty markets.

Managing all internal PC based documents, including CAD/CAM files using Documentum—which necessitated converting all graphic design files into PDF format for proofing artwork such as labels, graphics, brand logos and all product packaging—can be a significant challenge. Moreover, the graphic files were routed for approval using either a paper-based process or shipping CD's on a global basis which added significant time and costs to the process. Changes due to regional preference, language, color quality, and/or sizing (use of the metric system for example) increased both the approval process and product launch schedule. In fact, each discrete product may have upwards of thousands of documents in review cycle prior to launch. For the pharmaceutical and healthcare industries, each day of a product launch delay can potentially run into the millions of dollars. Efficient management of marketing resources such as digital assets would contribute to both the top and bottom line in terms of time-to-market, reduction in operational costs and availability.

Moreover, growing federal regulations (21CFR) and internal adherence to industry best practices for quality control only increased the pressure to search for a more efficient solution. The company began assessing other options for a digital asset management solution that would better address the needs of a global organization.

### **Strategy:**

It was decided to select a hosted, web-based solution that would support the graphically-intensive requirements of their MacIntosh users—one that would provide digital access to each original native file format such as Adobe Illustrator, encapsulated postscript (EPS), fonts, and soft-proofing tools—on a corporate level. This was especially critical given the organization's globally decentralized organizational structure. Each region required access to **approved original files** in order to trouble-shoot labeling, color match, language translation, quality and regulatory issues without waiting days or weeks for paper proofs and/or CD's to arrive by mail.

## Global Pharmaceutical/Consumer Healthcare

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### Selection Process:

**Selecting a technology provider:** Although numerous vendors were considered, PaxPro was selected as a best fit for the company's goals. Selection criterion included:

- ✓ Ability to host the web-based solution offsite
- ✓ Role-based hierarchical access
- ✓ Support and training for 400+ global users
- ✓ No need for IT resources to manage system
- ✓ Support for FDA electronic computer signature requirements (21CFR)
- ✓ Flexible business configuration capabilities for review, approval and release processes
- ✓ Ability to manage numerous digital assets: video, packaging, marketing collateral, labels, CAD/CAM drawings, and bills of material (BOM's).
- ✓ Ability to schedule alerts and rules in accordance with industry best practices

**Technology deployment:** The executive team signed off on the proposal within 3 months and initial deployment of the solution was completed 8 months later. Initially, Paxonix sent a professional services team to collaborate in setting up digital asset lifecycle processes and approval standards in North America in Q2 of 2005. Validation and testing continued for 6 months before roll-out began in other global regions: Canada, South America, EMEA and Australia/Pan Asia. Over 400 global users were trained using a web-based tutorial.

### Transformation

A corporate-level digital asset solution is used to globally manage creation, review, approval and release processes for numerous package and labeling requirements. All of the company's access, trouble-shooting, proofing and quality control is done online—from any location, for any location—leveraging original native files according to role-based permissions. Each step in the QA process is compliant with electronic signature requirements, provides an audit trail history, and enables users to check discrete graphical design components such as color mix (CMYK versus Pantone Matching System [PMS]) or color breaks (trapping) within the online system. Validation for product packaging and labeling includes lotions, eye disinfectant tablets, creams, and solutions.

*“All industries have the same issues with packaging and labeling... digital assets have to be developed, reviewed, approved and released in accordance with industry and regulatory standards for quality and compliance.”*

**--Manager, Global Labeling & Packaging**

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Hypatia delivers high impact market intelligence, industry benchmarking, best practices, technology vendor selection, ROI assessment, and consulting services that reduce cycle-time and influence customer management, product strategy and channel development goals. Since 2001, clients have relied on our industry insight, expertise and independent research for guidance in assessing various technology, solution and service options. Like our namesake, Hypatia, we are committed to *Calculating Results™* for our clients.

**Hypatia of Alexandria** (c.370-415 AD), invented several scientific devices--the astrolabe, planesphere, and hydroscope (hydrometer). These instruments were used to calculate the distance between planets, the position of visible stars at any time of the year, and the gravity of liquids respectively. Hypatia was the first woman to make substantial contributions to the development of mathematics, astronomy & philosophy.

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## Global Pharmaceutical/Consumer Healthcare

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Significant improvements have been achieved in overall processes resulting in enhanced productivity and compliance on a global basis. Business workflows set up in the system remind users via timed alerts that action must be taken—graphics must be approved or rejected within specified timeframes. Additionally, shipping costs associated with paper and CD based routing as well as its cycle time for label approval and artwork review processes have been reduced by ten full working days alone. Each owner of an asset has visibility into the review process and the ability to collaborate or problem-solve with other stakeholders online. Global management of process, productivity and performance is now transparent.

### Lessons Learned:

New applications are continuously evaluated for the solution within other departments such as marketing where the system can also be used to validate and route approvals for video, marketing collateral and brand graphics. Moreover, other electronic assets such as CAD/CAM drawings, bill of materials (BOM's), incoming quality inspection and outbound quality labeling, inventory control could benefit from use of PaxPro if planned links to the existing SAP-based Enterprise Resource Management (ERP) are being reviewed.

### Results:

Significant improvements have been made in global productivity and processes relating to the company's management of digital assets. Moving to a hosted web-based solution, has fostered a culture of quality and compliance while reducing its reliance on paper-based routing and shipping processes resulting in significant cost savings. Key benefits:

- ✓ Reduced product time to market by over 10%
- ✓ Global management of digital asset management process, productivity and performance is now transparent
- ✓ Increased control and reduced costs associated with artwork/design shipping expenses
- ✓ Eliminated 10 working days from artwork review process

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