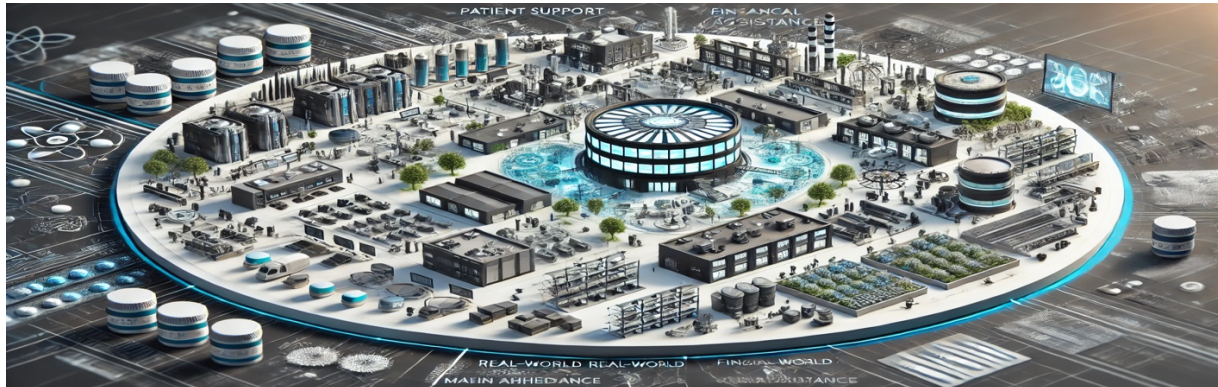




### Transformation: Shifting from Customization to Automation in a Pharmaceutical Hub Business



#### Background

The CFO practice leader at a pharmaceutical hub business providing specialized support for patient access, medication adherence, and financial assistance programs spearheaded a transformative financial initiative to address growing inefficiencies in customized service offerings. The hub's services relied heavily on manual labor, customization, and bespoke client needs, resulting in high operational costs and diminishing returns.

While these services differentiated the business, the reliance on labor-intensive processes limited scalability and profitability. Some service areas were even operating at a loss. To address these issues, our CFO practice leader led a comprehensive **ROI analysis** to assess the financial performance of each service offering and determine how technology and automation could streamline operations, improve margins, and drive profitability.

The analysis revealed that many highly customized services could be transitioned to automated solutions, shifting the company from a negative financial position to achieving a **2x ROI** within two years. This strategic shift allowed the company to remain competitive, improve profitability, and reduce labor costs.

#### Challenges

The company faced several key challenges:

- **High labor costs** due to delivering customized services across multiple hub offerings.
- **Inconsistent ROI**, with some services operating at a financial loss due to high operational costs and inefficiencies.
- A **lack of scalability**, as manual processes couldn't meet increasing demand without significantly increasing labor.

- Difficulty in delivering consistent client experiences due to varying levels of customization and manual intervention.

From an **FP&A perspective**, it was evident that a strategic shift was necessary. The CFO practice leader and the FP&A team set out to develop a solution that would maintain the personalized service clients valued while reducing operational costs and improving scalability.

### **Solution: Transitioning to Automation and Technology**

Our CFO practice leader led the initiative to move from a customized, labor-heavy model to a streamlined, technology-driven business model. Automated systems were introduced to handle many of the core functions of the pharmaceutical hub, including:

- 1. Automated Patient Support and Adherence Programs:**
  - Previously, patient support and medication adherence were customized with manual follow-up calls and personalized care plans. A **tech-enabled CRM system** was implemented to automate follow-ups, notifications, and reminders.
  - This reduced the need for labor-intensive customization while ensuring consistent patient engagement.
  - **ROI Improvement:** Automation of these tasks reduced staffing costs by 30% and increased patient engagement rates.
- 2. Financial Assistance and Benefit Verification:**
  - Financial assistance programs required significant labor for verifying insurance, assessing eligibility, and processing benefit verifications. The manual approach was replaced by an **AI-powered eligibility verification system** that automated most of the process.
  - **ROI Improvement:** Labor costs were reduced by 40%, processing times decreased by 50%, and the team could handle double the volume of requests without increasing headcount.
- 3. Prescription and Inventory Management:**
  - Prescription management and inventory tracking were manually intensive, leading to bottlenecks and errors. **Automated prescription management systems** and **inventory tracking technologies** were introduced, centralizing operations and reducing human error.
  - **ROI Improvement:** Prescription processing errors dropped by 60%, inventory-related labor costs decreased by 35%, and operational efficiency improved.
- 4. Custom Reporting and Data Analytics:**
  - Previously, customized reporting for clients required significant manual work. **Self-service reporting portals** were introduced, enabling clients to access real-time data and generate customized reports.
  - **ROI Improvement:** Reporting labor costs dropped by 40%, and client satisfaction improved with real-time access to data.

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## **CFO and FP&A-Led Financial Transformation**

Under the leadership of our CFO practice leader, the transition from customization to automation was strategically executed. The approach included:

1. **Comprehensive ROI Analysis:**
  - The CFO practice leader and the FP&A team conducted a detailed financial analysis of each hub offering, assessing profitability, cost structure, and scalability. This analysis revealed where labor was dragging down profitability and identified automation opportunities that could improve ROI.
2. **Cost-Benefit Analysis of Automation Investments:**
  - The FP&A team performed cost-benefit analyses of automation investments, ensuring that automation would deliver high ROI while maintaining service quality. The financial models forecasted when each automation solution would become profitable.
3. **Board and Investor Communication:**
  - The CFO practice leader took charge of communicating the transformation plan to the board and investors, providing a clear financial picture of the shift from customization to automation. The projected ROI improvement—from negative returns to **2x ROI**—was a key selling point in securing stakeholder buy-in.
4. **Financial Monitoring and Continuous Improvement:**
  - Post-implementation, financial monitoring systems were developed to track labor cost reductions, automation efficiencies, and ROI. This allowed the CFO practice leader and FP&A team to ensure the transformation was delivering the expected results and identify further opportunities for improvement.

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## Results

- **2x ROI:** The transition to automation resulted in a **2x ROI** within two years, transforming previously loss-making services into profitable offerings.
- **30-40% Reduction in Labor Costs:** Automation initiatives reduced labor costs by 30-40% across critical service areas.
- **Increased Scalability:** Automation allowed the company to scale operations without proportional labor increases, improving its ability to handle higher client volumes.
- **Enhanced Client Experience:** The automation of patient support, financial assistance, and reporting services resulted in faster, more consistent service delivery and increased client satisfaction.
- **Operational Efficiency:** The introduction of automation reduced errors and increased operational efficiency by 50%, positioning the company for sustainable long-term growth.

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## Conclusion: CFO-Led Success in Driving ROI through Automation

The transition from customized, labor-intensive services to technology and automation, led by our CFO practice leader and FP&A team, transformed the pharmaceutical hub business. By shifting from high labor costs and inefficiencies to a streamlined, scalable, and automated operation, the company achieved a **2x ROI** and established itself as a competitive leader in the industry.

This use case exemplifies the value that a strong CFO and FP&A team can bring to operational transformation, particularly in industries like pharmaceuticals, where automation can drive profitability and competitive advantage. If your business is facing similar challenges, our **CFO services** provide the **strategic financial leadership** needed to drive **sustainable growth**, improve profitability, and optimize operations through automation and innovation.