

WHITE PAPER

Integrated business planning for pharma: From concept to adoption — and value

Anaplan



With today's business climate of major disruption, uncertainty, and growing complexity, integrating business planning and operational performance has become an imperative. An organization's ability to respond quickly to business conditions directly impacts revenue, profit, and market advantage.

But speed of response to these changing conditions is not the only factor for success — decisions need to be based on accurate, up-to-date data to reduce risk. This requires the business to align operational, strategic, and financial plans across all internal functions. Through cross-functional data alignment, business leaders gain confidence in a single source of truth as the foundation for confident decision-making.



What's preventing adoption of a new approach to planning?

Most decision-makers are still relying on spreadsheets and similar tools to plan. Legacy approaches often apply subjective interpretation to make critical decisions and then evaluate their effectiveness. Integrated business planning (IBP) has demonstrable benefits over spreadsheets and similar business intelligence (BI) tools, but they present a significant change to planning processes over the status quo, and that brings resistance to adoption.

Legacy technology and data can offer another set of problems not easily reduced to a single cause or solution. Often organizations have volumes of similar data in different systems or lack the skills or tools to integrate them effectively. An IBP solution brings together processes with technology that integrates the data and systems required for effective business planning. Increased use and adoption of IBP will drive collaborative relationships, reduce data inconsistencies, and improve data use across the organization.

Adoption of this technology inclusive of AI/machine learning and workflow automation provides the modern capabilities required to accelerate and continuously improve processes. Working with an IBP provider with the right skills, experience, and resources for effective data cleansing and integration helps realize the full benefits of the technology. Together, these capabilities help most successful organizations overcome the biggest barriers to achieving the benefits of IBP.

With Connected Planning capabilities enabled by IBP, you can:

- Establish models reflecting organizational design and supply chain network structure
- Plan propagation, alerting, collaboration, and visibility across and within models
- Capture connections and patterns in execution to record learning and expertise
- Build unlimited multidimensional planning scenarios to drive timely decisions and consensus plans
- Benefit from state-of-the-art hyperscale computing to better understand drivers of change and react within planning lead times (e.g., plan to actual performance).
- Automate business process and decisions as needed
- Add key planning functionality including multiple forecast methods, ability to segment demand and/or supply, optimization capabilities for capacity and inventory, generation of material and capacity requirements, and production schedules
- Adopt machine learning through pre-built solutions for forecasting or custom build solutions as required

Connected Planning to enable IBP

The primary goal of planning is to reach better outcomes faster by making fact-based, cross-functional decisions with accurate and timely supporting information. For most companies this information is distributed in multiple systems across the enterprise. Along with process design and discipline, it's important to find technology to support the integrated element of IBP which isn't just defined by data integration.

Business plans need to be developed and communicated horizontally and vertically, crossing divisions and even organizational boundaries. Examples of best practices include:

- Establishing IBP as the hub between corporate strategic/ annual operating plans and division/functional operating monthly plans
- Aligning commercial, product, and market strategy with sales and operations planning (S&OP) and sales and operations execution (S&OE)
- Extending demand and supply planning to include key customers and suppliers
- Ensuring risks and execution challenges provide visibility and context to decision processes and planning leaders

As important as supporting this information flow is the timing of this flow — plans are considered across multiple time horizons and decision support is required persistently based on new

developments. This connected nature of organizations, information flow, and decisions must be reflected in supporting technology. Establishing world class integrated business planning is a journey. Some companies start working horizontally based on meeting strategic customer objectives like on-time/ in-full delivery, which depends on aligning customer plans and orders with distribution, inventory, manufacturing, and suppliers. Others work divisionally or geographically, based on the importance of vertical alignment of operations and strategy of those organizations. The most important step is the decision to tackle the challenges with partners in technology and process that you trust.



How leaders in pharma use IBP effectively

Top organizations use IBP to improve collaboration across the enterprise and optimize their strategy. They can do this in the following ways, with financial planning forming a key piece of the puzzle:

Portfolio planning: IBP provides a comprehensive and integrated view of the entire product portfolio, including the status of current drugs, the development pipeline, and the potential introduction of new products based on accurate market predictions.

Demand planning: Companies can identify the gaps between the unconstrained demand plan and the actual demand, considering the impact on gross profit compared to the budget. They can also compare gross profit with the budgeted or expected gross profit, a process which is crucial for understanding and managing discrepancies in demand forecasting and financial performance.

Supply planning: With IBP, companies can optimize the supply chain, finding the right balance between inventory levels, capacity and investments in production facilities and trade-offs, including those related to the frequency of manufacturing and production runs based on factors like demand variability, production cost, and storage constraints.

Integrative alignment: IBP helps align cross-functional plans — particularly those related to supply chain and demand forecasting — with the overall goal of optimizing the profit and loss (P&L) statement and ensuring consistency in reporting.

Management review: IBP allows companies to integrate relevant data from R&D, manufacturing, marketing, and sales to improve P&L. It also allows them to make macro, cross-functional decisions, for example incorporating the considerations of in-house teams with contract manufacturing organizations (CMOs) which has implications for cost structure, production capacity, and overall operational efficiency.



See. Plan. Adapt.

The planning process is largely about making critical decisions early and the ability to see change, make adjustments, and assess performance and risks against desired outcomes. Good plans start with sound decisions and can adapt quickly with changing conditions. This is especially true for life sciences, where its products save and improve lives. IBP removes latency, risk, and blind spots from decision-making and planning processes through the careful orchestration of the data, people, processes, and context across the organizational disciplines that need to work together.

Connected Planning eliminates silos of information, pockets of indecision, and data discrepancies, making it easier to achieve the data reconciliation that is critical for life sciences organizations. Planning is based on sound decisions, then helps coordinate execution across the company to maintain quality and remain flexible when conditions and information change.

Anaplan's Connected Planning platform is an agile and secure cloud-based environment used to optimize planning and improve decision-making across all lines of business and business activities, from strategic to operational levels. Organizations can connect to the data sources of existing enterprise platforms so executives can get a complete picture of their data across business units in real time to drive faster and more accurate decisions. Anaplan helps maximize efficiencies and optimize back-and-front-office operations, enabling a harmonious Connected Planning landscape. This enables companies to unlock more value from their transformations.

Additional resources:

[Integrated business planning for pharma](#)

[Anaplan solutions for life sciences](#)