Facilitating Profitability Through Dynamic PPM Solutions

hammerhead
by Projility

The healthcare industry is incredibly diverse, covering everything from pharmaceuticals and hospitals to medical devices and agricultural bioscience. Each sector serves unique needs and fulfills a specific purpose. Some healthcare organizations work on curative and preventative medications, investing large sums of capital into the research and development (R&D) of vaccines, antivirals, and antibiotics. Others focus more on services, like rehabilitation or palliative care, where professional support and medical devices are used to either get patients back to normal – or ease them through the end-of-life process. Regardless of the organization's specific goal, every healthcare business suffers from the same underlying issue: profitability.

Poor Profitability Hinders Market Entry

The healthcare industry is in the business of lengthening lifespans and making patients more comfortable and functional. To keep people alive and healthy, it takes a lot of time, skill, and money to analyze chemical compounds, study behavioral patterns, and examine treatment success rates.

Profitability is impacted by three major areas:

1. R&D – The R&D pipeline begins with basic research. As discoveries are made, new medicines are moved through pre-clinical and clinical trials. They must then secure approval from the US Food and Drug Administration (FDA) to reach the market and turn a profit. It takes ten to fifteen years to go through the R&D pipeline, with only 12% of medicines actually earning FDA approval at the end of the lengthy process. The average amount spent on each drug during those years is $2.6 billion.

2. Sales, General, and Administrative Expenses (SG&A) – Healthcare companies must spend a great deal of time and capital marketing their products and services to recoup R&D costs – especially when it comes to pharmaceuticals. Also included in the SG&A category are expenses like rent, utilities, and legal fees.

3. Regulatory Compliance – Healthcare companies are subject to countless regulations in regards to R&D, patient care, and product safety. As new regulations seem to hit the market practically every day, companies not only have to maintain current compliance requirements, but they also have to carefully watch what new security or data demands will be imposed upon them next. This due diligence may seem expensive, but the fines for being found noncompliant are far more costly.

The Innovation Fixation

At Projility, our healthcare clients are always moving forward. The desire for constant innovation is strong because obtaining some type of competitive advantage can equal decreased costs and increased revenues. If a client can be the first to get a drug or medical device through FDA approval and to the marketplace, the chances of their entire company staying in business are much greater.

Innovation can include:

• Developing new products and repurposing old ones. The patent process is tedious and uncertain. For new products, it's crucial to seize a patent before a competitor does. With existing products, features and uses must be updated or revised in order to secure improvement patents.

• Finding ways to streamline R&D. Employees have limited hours and resources have limited availability. By improving workflows and enhancing project management, R&D can progress faster – and products can be moved to the market sooner.

- **Establishing methods for cutting SG&A costs.** Streamlining collaboration is key to decreasing sales costs. When team members work together in concert, they are more efficient in their sales efforts – meaning that less money is needed for marketing to healthcare providers and the general public. To lower other general costs, technology is used to automate and accelerate processes – and even to reduce utility bills.

- **Utilizing tools to automate compliance.** Another arena where technology saves time and money, software updates and security advances ensure that patient information stays secure under Federal regulations. Advanced systems are also used to track defects, side effects, and batch shipments.

- **Forecasting future needs to manage the pipeline better.** It's often difficult to know what project should be prioritized with regulatory changes and demographic shifts. Sometimes, an outbreak may cause a company to shift gears and dedicate resources toward one goal. Other times, business concerns change due to funding, legal issues, or outside forces. If the pipeline can be strategically aligned to the organization's strategy as a whole, then resources can be appropriately managed to cover future projects and goals.

Projility Offers Cutting-Edge Management, Prioritization, and Balance

Everything is a project, even in the complex world of healthcare. From the R&D of a new vaccine to a more durable design for a dialysis machine, the heart of any organization is made up of a multitude of projects. Projility brings insight into those projects to the table with our cross-industry knowledge. We don't just understand how to help healthcare organizations become more profitable; we pull wisdom from other industries to enable our clients to achieve their goals faster and more efficiently.

Our Project Portfolio Management (PPM) services elicit the best execution strategies for Microsoft Project Server and Project Online implementations. Through our proprietary Hammerhead technology, we augment PPM with a dynamic business intelligence tool. Hammerhead delivers pre-configured dashboards, robust analytics, and audience-appropriate reporting capabilities to clients looking to increase profitability through improved resource utilization.

> "With Project Online, we will have a much better cadence with rolling out new programs. It will truly support our change management efforts on what gets introduced and what to expect from a community operations standpoint."
>
> **Paul Nigro,**
> CIO, Brookdale Senior Living

Projility's PPM with Hammerhead provides:

- **Enhanced Project Management.** By utilizing real-time dashboards to communicate, collaborate, and manage resources, sales associates can work more productively, and researchers can stay on schedule – and within budget. Workflows are simplified. All aspects of the project are highly visible, making R&D progress and setbacks easy to assess. Metrics are measured and examined to ensure that regulatory requirements are followed and met as changes occur within R&D and throughout the entire organization.

- **Intuitive Prioritization.** Hammerhead allows organizations to score projects based on their drivers, making it simple to group and prioritize resource allotment based on how a project aligns with current objectives. Technological investments can be weighed logically – with overall impact to SG&A costs in mind. And when a new project is needed, companies have the information they need to determine whether or not it would be best to contract out or complete in-house.

- **Harmonious Balance.** Through heightened visibility, innovation can be intelligently balanced with mergers, acquisitions, and divestments. Focus does not need to rest in one place; companies can see the big picture instead of being blinded by what's most imperative on their to-do list. And with a master plan in place, pipelines can be secured well into the future.

An Expert Solution to Achieve Effective Change

As much as healthcare organizations must cut costs to improve profitability, they must also drive revenue via innovation and growth. Microsoft offers advanced project management capabilities to support these missions with Project Server and Project Online. With the right execution strategy and support, these tools can transform an organization from the ground up.

Our Hammerhead software delivers on-demand, flexible dashboards to every key player and team member. The reporting framework allows for wise decision-making, with operations clearly defined and visible throughout the organization. And with PPM aligned and prioritized according to business objectives, organizations can focus on driving innovation - instead of worrying about it.