



Model **N**
Global
Commercial
Excellence
for Medtech

REVENUE CLOUD
FOR MEDTECH

WHITE PAPER

Executive Summary

The medtech industry is at an inflection point; an infusion of investment, new pricing pressures, and new regulatory pressures have caused a distinct shift in business models. Medtech manufacturers face a growing need to digitally transform their go-to market strategies in order to take advantage of new market trends and stay on top of changing markets. This is creating tectonic shifts in their demands on pricing, sales, and contracting operations.

Leading medtech companies are moving toward commercial excellence initiatives with vendor partners as a result of the need to create a modern platform that improves commercial effectiveness across all business lines with global visibility. These companies are establishing projects to revamp and unite aging back-office and manual commercial systems, and building upon core platforms such as ERP and CRM to share data with sales teams in the field, while uniting the back and front office to drive efficiency.

MAXIMIZE EVERY REVENUE MOMENT

Eliminate Silos

Interlink every aspect of every commercial transaction, internally and across channels

Always Know Where You Stand

Add visibility into every transaction—and its downstream impact

Avoid Risk Of Non-Compliance

Real-time pricing to give the right price to the right customer the first time

At Model N, we have observed and responded to new and changing business requirements from the medtech industry, they include the need to:

ADD REAL TIME VISIBILITY INTO UPDATES TO PRICING AND CONTRACTING.

Coordinating back and front office information is becoming critical to creating advantageous contracts and ensuring compliance. Today's provider marketplace is dominated by integrated delivery networks (IDN) that often have multiple prices and contracts available to them, making it harder than ever before for pricing analysts and systems to identify the right price for the right product at the right time, while taking into account GPO affiliation, pricing tiers, and performance against those tiers.

ACCELERATE NEW CONTRACTS AND PRICING.

As market forces push pricing down; effective pricing management and accelerating time to market despite the increase in contract complexity are increasingly not just leading practices, but industry imperatives for the medtech sales force. Sales teams need intelligence to be able to drive the best deals more effectively, aligning with pricing and portfolio strategy.

LEVERAGE PRICE AND VALUE TRANSPARENCY TO DRIVE COST OUT AND VALUE IN.

IDNs are facing demands from patients and regulators to demonstrate value and add

transparency to pricing and billing. Smart manufacturers are offering contracting and pricing options that build value into the equation up front and choosing technology solutions from vendors with the agility and expertise to ensure they are in compliant with existing and expected regulations.

MANAGE REGULATORY COMPLIANCE.

Compliance with best price initiatives, federal supply schedules, value and indication-based pricing, and government pricing programs is increasingly complex; yet the risks associated with non-compliance have never been higher. Pricing and contracting managers today need automation tools to lessen the burden of reporting and tracking compliance, while reducing the risk of fines and penalties.

EXPANSION OF TENDER ACTIVITY.

Globally, the amount of sales going through tender agreements is growing. Totalling over €23B in European tenders in 2018. Medtech manufacturers need to be able to manage the tender process globally while allowing local teams the ability to take action within specific price floors and ceilings to ensure the right decisions are made to maximize revenue and market share across regions and reference price ecosystems.

Model N's Revenue Cloud for medtech and its Global Commercial Excellence capability offer a single suite SaaS solution for both the back and front office that is designed to help medtech manufacturers master today's trends and prepare for tomorrow.

The Pricing and Contracting Disconnect

Global Commercial Excellence

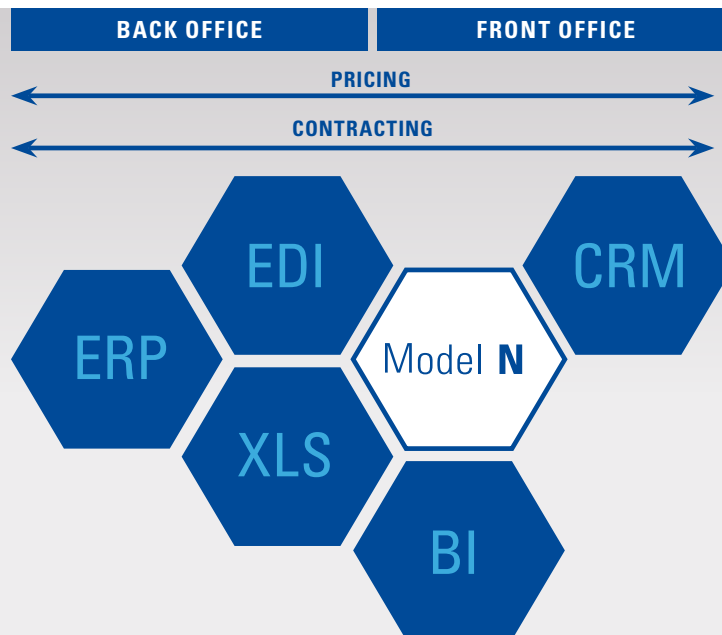
The old way of doing things kept information siloed in XLS files and EDI transactions, with some access to information through business intelligence (BI) applications, but with few workflow-integrated connections between ERP, CRM, and pricing systems like Model N. Global Commercial Excellence creates these connections, uniting the front and back office to make contracting and pricing more efficient, accurate, and real time.

Medtech manufacturers are faced with business model changes on a scale never before seen, resulting from pricing pressure, regulatory change, and payment and pricing model disruption as the healthcare industry evolves toward value-based care. Most manufacturers are struggling to identify and prioritize the changes they need to make to maintain and grow revenues and market share and stay on top of these trends, but several imperatives have become apparent:

PAIN. Disruption is clearly here, and most manufacturers working the old way cannot keep pace any longer. Pain is increasingly caused by the need to unite data from the back and front office in a medtech platform that offers best-of-breed pricing, contracting, commercial operations, market access and contract and regulatory compliance activities.

SPEED. Real time data is increasingly an imperative, as teams need data on price changes, membership and billbacks to execute the most effective contracts and tenders and go to market quickly.

TRANSPARENCY. Transparency is critical, as manufacturers need accurate data for pricing and performance to ensure the most advantageous contracts and tenders, and to avoid violating price floors as new agreements are proposed.



Model N

The Right Solution

MODEL N REVENUE CLOUD FOR MEDTECH

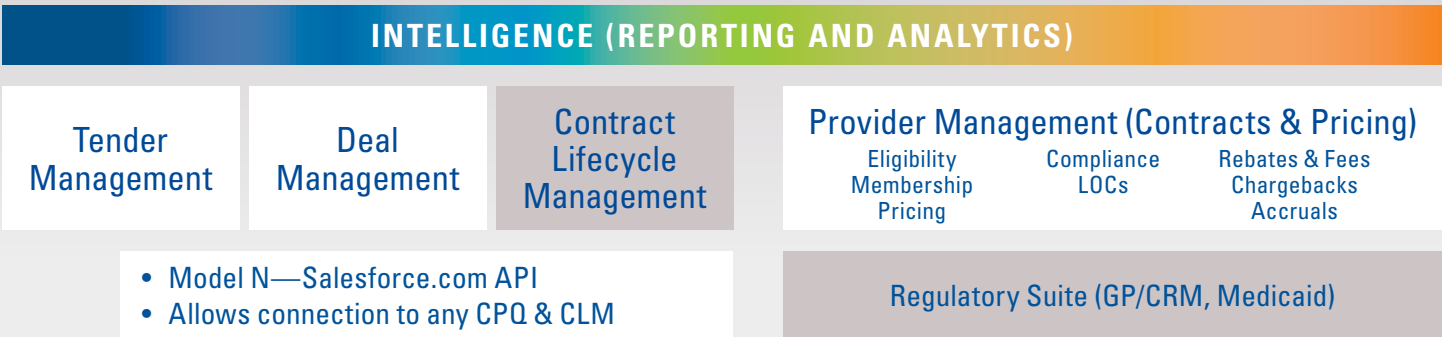
Model N’s Revenue Cloud for medtech is the only solution in the market that can provide medtech companies an end-to-end global revenue management platform that ensures commercial excellence. Model N’s SaaS solution provides:

- An integrated back-office system for membership management, distributor rebate processing, and accruals management
- Strategy Designer to provide the flexibility to address all current and future complex contracting needs without customization
- Integration with ERP and Salesforce.com to provide “real-time” price and membership visibility with actionable analytics to field sales and National Accounts
- Ability to be the system of record for customer pricing while complementing your investments in other enterprise technology platforms such as ERP, CRM, and CPQ systems
- Best in class Tender Management solution to address ex-US tender management requirements

Model N’s SaaS platform will enable consistency, compliance, and accuracy across any medtech company’s global contracting and tender management processes while delivering a significant return on investment.

Model N Cloud is a single Enterprise solution suite for Global Commercial Excellence.

Model N Revenue Execution Platform



MODEL N PROVIDER MANAGEMENT

Model N Provider management is used by some of the largest medtech manufacturers in the world. The solution includes:

FEATURE/FUNCTIONALITY	DETAILS
MASTER DATA	Assists with the storage and ongoing management of sales and geographical organizations, customers, products, product hierarchies, sales territories, and attributes
MEMBERSHIP MANAGEMENT	Assists in the management of membership and other parent-child relationships to ensure the proper hierarchal structure is maintained and enforced down to a sales line level
CONTRACT & PRICE MANAGEMENT	Enables contract administrators/managers to define and update (both manually and in mass) all pertinent details of a contract document that a standard paper-based contract contains including effective dates, eligible products and pricing (including upcharges), rebate and fee programs, free goods, customer eligibility and commitments, and other terms and conditions (i.e. payment terms, freight, etc.)
STRATEGY DESIGNER	Provides manufacturers with the ability to create and implement pricing, rebate, and accrual calculations that meet their specific needs via a flexible UI framework
CONTRACT COMPLIANCE	Provides manufacturers with the ability to review the purchasing activities of an individual customer, a member, a group, or a group of customers at any point in time to determine whether the customer is meeting the commitments defined in the contract
FSS COMPLIANCE	FSS Compliance application supports the end-to-end process on Federal Supply Schedule that cover tracking entities, price monitoring, violation management & resolution, and RFM action-based manufacturer FSS policy and process
PRICING	Enables manufacturers to define the resolved price for a product for orders, distributor rebates (chargebacks), and pricing rules
REBATE AND FEE MANAGEMENT	Provides capabilities and automation to assist manufacturers with the ability to calculate any and all types of rebates, fees, distributor commissions, and accruals
CHARGEBACKS / DISTRIBUTOR REBATES	Provides ability to handle sales tracing, validation, and full distributor rebates/chargeback processing
SALES MANAGEMENT AND DISTRIBUTOR REBATES	Provides functionality for receiving, validating, and processing of sales transactions including direct sales (invoices), indirect sales (tracings and distributor rebates), and other non-standard types of transactions and financial adjustments that are loaded via ERP or user import
BILLING MANAGEMENT AND REVENUE RECOGNITION	Provides ability to assist with execution of contract billing terms for lease, rental, and service agreements & properly report the revenue to ERP for accurate revenue recognition
COGNOS REPORTING	Provides manufacturers with the ability view data and information in a structured report that can be delivered via MS Excel or pdf
INTELLIGENCE CLOUD (IC) REPORTING	Provides manufacturers with industry specific visualizations across multiple dimensions. Additionally, provides functionality to create ad-hoc and agreed upon customer specific reports sourcing data from Model N star-schema DataMart

PROVIDER INTELLIGENCE

Allows customers to analyze and optimize their Revenue Management strategies by providing self-service reporting capabilities on Model N’s rich set of data including incentive rebates and fees, distributor rebates (chargebacks), contracts, pricing, and compliance. Users can create dashboards using this data that can be used anywhere from internal reporting to customer facing business reviews.

All intelligence solutions include:

1. Comprehensive Datamart – Normalized data to make reporting and analytics easy for business users
2. Revenue Management Dashboards – Best practice dashboards for monitoring and analyzing price, contract, customer information, and global performance
3. Ad-Hoc Reporting – allows business users to create reports, schedule alerts, and export data
4. Salesforce Integration-Ability to embed directly within Salesforce.com and pass salesforce objects (like accounts, contracts, opportunities) directly to the report

Best Practice Dashboards

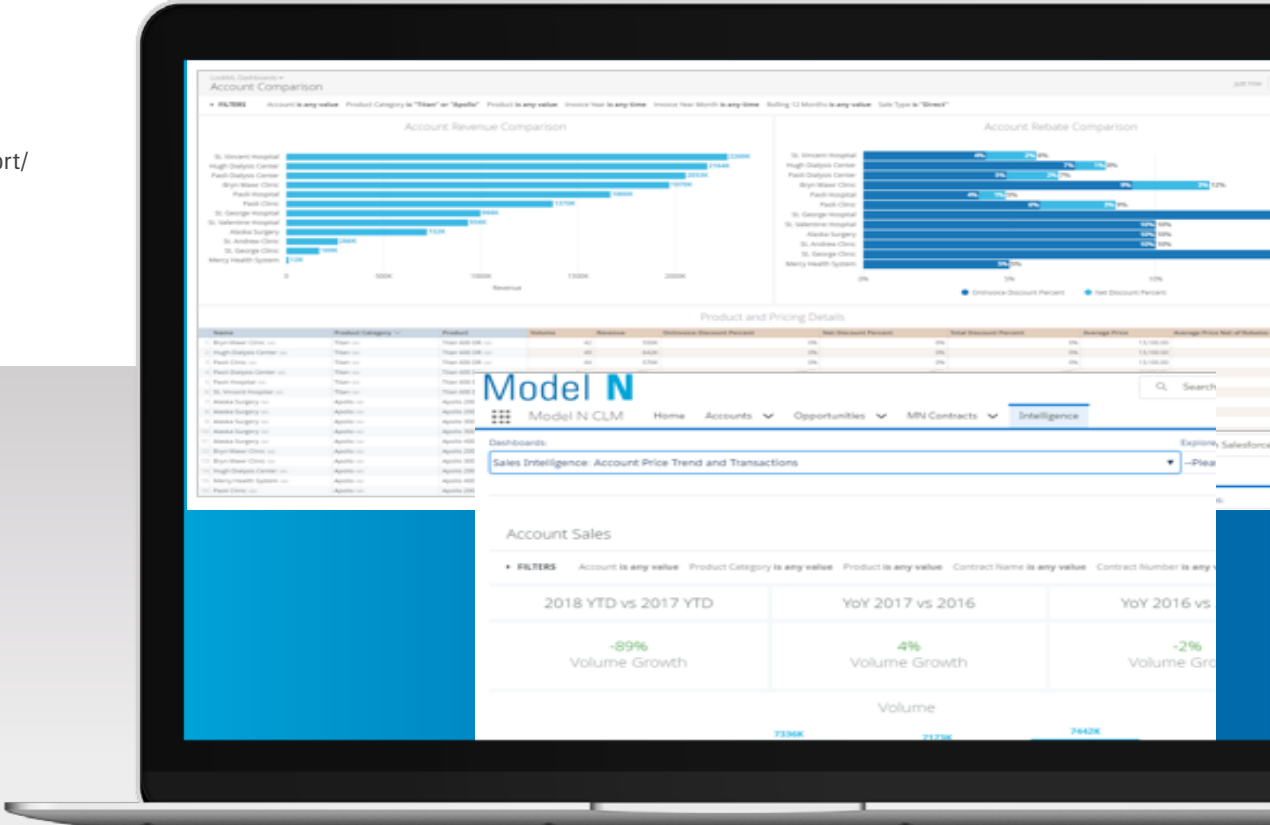
- 1 Gross-to-Net for Customer, Products
- 2 Global Performance Breakdowns
- 3 Account & Contract Breakdowns

Drill Into Detail Reports

- 1 By Customer, Product, Contract, Program
- 2 Expiring Contracts, Tier Attainment, Price Analysis
- 3 Ad-Hoc Reports

Salesforce Enabled

- 1 Deal Intelligence
- 2 Embed ANY Report/ Dashboard



MODEL N GLOBAL TENDER MANAGEMENT (GTM)

Model N Global Tender Management is a Force.com platform-based solution that addresses the 3 major phases of the tendering process, Shape, Make, and Value. The GTM platform allows executives to eliminate manual processes and enable users to focus on value added activities, such as tracking and analyzing previously won and lost tenders in order to improve future submissions. All of this valuable information is stored in a central repository, accessible anywhere in the world from a tablet or laptop for both regional and local use.

Model N
GTM Drives
Tender
Excellence



The Tender module includes:

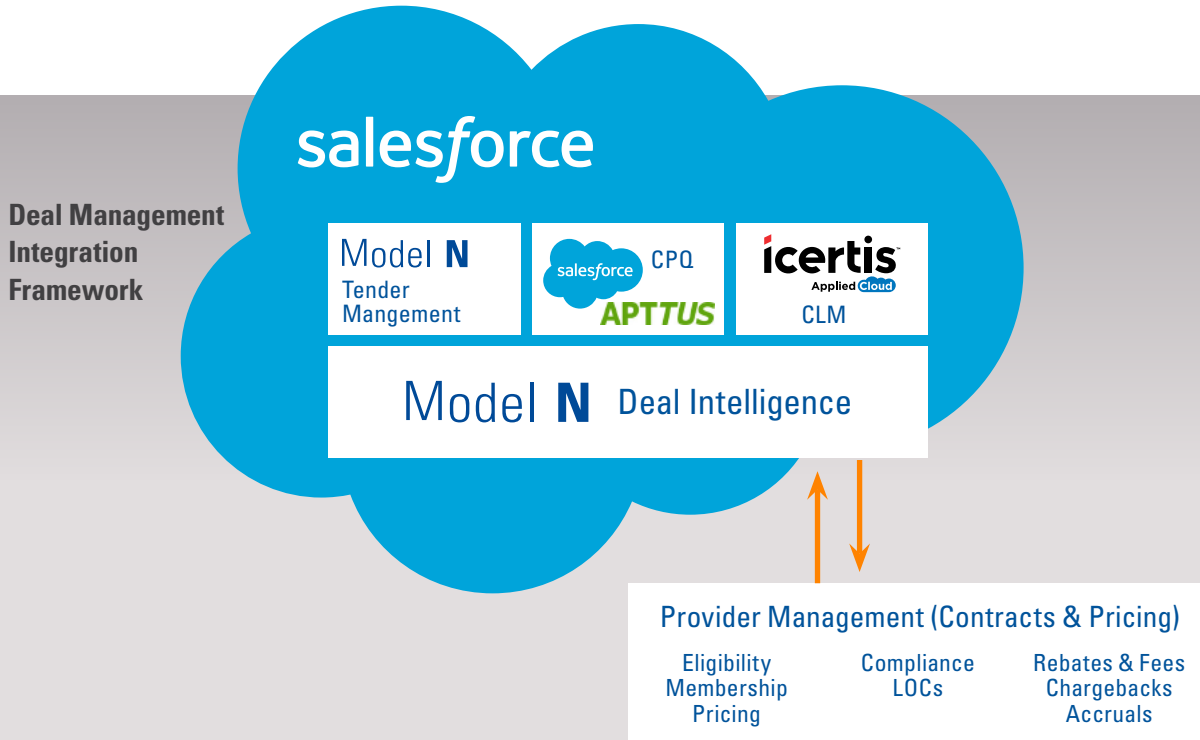
- Configurable tender templates and lifecycles for driving the unique needs of each country, cluster, or region
- Intelligent Approvals to allow customers to model any approval route and trigger based upon any attribute like tender value, product, etc.
- Document assembly to allow for the generation of certificates, offer/proposals, or legal documents
- Tender calendar to manage the tender pipeline
- Tender/proposal manager to guide the tender process from assessment to bidding and awarding

MODEL N GTM INTELLIGENCE

Provides a Tender Management data mart and analytics out-of-the-box. GTM Intelligence is highly configurable and gives Sales and Sales Operations teams strategic visibility across the tendering and RFP process, enabling better decisions that increases revenue and margins.

MODEL N DEAL MANAGEMENT INTEGRATION FRAMEWORK

Deal Management is an integration framework that allows your sales organization and other users of salesforce.com to access data and analytics from salesforce.com and create/maintain contract information in Model N Provider.



Optimize deal value with analytics, dashboard, and insights, especially around:

- Contract, pricing, rebate, up to date revenue
- Compliance and customer tier attainment
- Benchmarks (floors, guidance, targets)
- All accessible directly from the salesforce.com user interface

DEAL MANAGEMENT

Reduce errors, rekeying and guide deals

- Create/amend contracts, pricing, rebates
- Access guidance (floors, FSS, expiration Dates)
- Authorized pricing and rebate programs

Open APIs to integrate Real-Time

Sync data to Salesforce.com

- Customer & membership details
- Price & rebate programs

MODEL N SAAS

Model N's SaaS delivery model will provide customers with a modern, integrated cloud platform that delivers significant short and long-term value. Model N's Cloud SaaS solution includes the following:

- Hardware: Sized by Model N to meet customer's current and future performance requirements and Service Level agreements
- Supporting Software: All the Oracle licensed products required to run the application, application server licenses, OS, and licensing for different products used to enable monitoring and automation services
- Model N standard monitoring, patching, security, backups, and other infrastructure services
- Services required to meet application uptime such as high availability and disaster recovery
- DBA and system admin services required to maintain performance and uptime
- Data transfers in and out of the SaaS solution
- Annual disaster recovery testing on Model N schedule
- Security reporting such as SOC 1 & SOC 2 audit reports

Model N's Cloud SaaS model also eliminates large upgrade projects in the future and provides for frequent updates, on your schedule, to take the latest releases.

As part of that process, Model N will:

- Update customer's environment to the latest release
- Execute automated testing against the new environment with customer data and provide the test results and reports for review
- Work closely with our customer to support any integration testing to other systems
- Work with customers to promote the latest release to production once the customer confirms integration and user acceptance testing is complete and acceptable

The Right Partner

Every
day...

More than two million sales lines a day are paid and processed through Model N Systems.

More than 49,000 users from 100 countries around the globe

Model N was founded in 1999 and has been serving the life sciences industry since the early 2000s. Model N is a publicly traded company (NYSE: MODN) with over 900 employees. Our company has people with deep industry experience and domain expertise. We truly have a global footprint with a worldwide headquarters in San Mateo, California; U.S. offices in Princeton, Chicago, Denver, and Waltham, MA; European offices in London, Zurich, and Switzerland; and an operations center in Hyderabad, India. We have over 49,000 users in 100 countries around the globe and over two million sales lines a day are paid and processed through Model N Systems.

Our focus is on supplying Revenue Management Solutions to the life sciences industry. This includes a common platform for all Revenue Management functions, including: Configure, Pricing and Quoting, Rebate Management, Commercial Contracting, Provider Management, Payer Management, Government Pricing, Medicaid Rebates, Analytics, Global Price Management, and Global Tender Management.

We provide an extensive Professional Services team for implementation, evaluation, and strategy. With deep industry expertise, Model N supports the complex business needs of the world's leading life sciences brands, including Johnson & Johnson, AstraZeneca, Boston Scientific, Stryker, Novartis, GlaxoSmithKline, and more than 90 other leading companies.

We entered the medical device (medtech) market in 2001 and the Pharma market in 2004 and have since added new modules and capabilities to our suite of solutions. In addition, we launched a major analytics offering in 2010 and acquired LeapFrogRx in 2012 to extend our scope to include the use of syndicated data sources and pre-packaged analytics for Brand, Managed Markets teams, and Field Operations groups.

In January 2017, the acquisition of Revitas brought together the two leaders in Life Sciences Revenue Management, an exciting development for Life Sciences companies worldwide allowing us to bring the best capabilities of both companies to the entire industry and drive innovation in the marketplace.

MODEL N GLOBAL MEDTECH COMMUNITY



Summary

Model N's Revenue Cloud for Life Sciences is the only solution in the market that can provide medtech companies an end to end global revenue management platform that ensures commercial excellence.

Model N's SaaS solution provides:

- Integrated back-office system for membership management, chargebacks processing, and accruals management
- Strategy Designer for the flexibility to address future complex contracting needs without customization
- Integration with ERP and Salesforce.com to provide "real-time" price and membership visibility with actionable analytics to field sales and National Accounts
- Ability to be the system of record for customer pricing while complementing your investments in other enterprise technology platforms such as ERP, CRM, and CPQ systems.
- Best in class Tender Management solution to address ex-US tender management requirements

Model N's SaaS platform will enable consistency, compliance, and accuracy across our customer's global contract and tender management processes. The Model N team brings a deep understanding of both your requirements and that of the industry. We have a powerful install base of customers who are continually suggesting enhancements that are incorporated into our bi-annual releases.

VISIT US

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