



Spotfire Enables Farminform to Provide Critical Analysis and Market Intelligence to Leading Pharmaceutical Companies

Spotfire DecisionSite® provides visual and interactive analytics to help Farminform with the introduction and tuning of *fiFOCUS* to pharmaceutical companies for improving their targeting activities.

Business Profile

Farminform is the independent provider of pharmaceutical market data and related consulting services in the Netherlands.

Application Profile

DecisionSite provides analytics and visual reporting capabilities for translation of *fiFOCUS*' multi-tier market information and tuning of the parameters of this product.

Challenges

- How to use proprietary data without compromising confidentiality
- Manual process involved in performing correlative analysis with static Excel reports and tuning parameters used in converting these data to optimal parameters for the classification of market segments
- Overwhelming task of managing 75 categories of pharmacy sales data for targeting

Solutions

- Targeting and segmentation can be performed using proprietary data
- Immensely complex data can be simplified and presented with ease
- Infinite range of scenarios can be explored instantly

Results

- Enabled Farminform to offer significant new service to pharmaceutical companies
- Improved insight helps pharmaceutical companies better target key pharmacies and physicians
- Ideal solution for introducing new products to market and tracking ongoing performance

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– Harm Friskus
Analyst
Farminform

Farminform is the independent provider of pharmaceutical sales data in the Netherlands. The non-profit clearinghouse is used by nearly all of the Dutch pharmaceutical wholesalers and manufacturers to obtain market information and analysis that they use to drive sales decisions and shape market strategies.

Using individual sales data provided to it by pharmaceutical wholesalers and manufacturers, Farminform tracks the sales of all registered pharmaceuticals in great detail and complements this with an extensive database on the whereabouts of all professionals in the health care business.

Because of its non-profit status and the benefits it provides to its pharmaceutical customers, almost all pharmaceutical companies with a presence in the Netherlands provide their sales data to and receive market data from Farminform, enabling the organization to track over 95% of all Dutch drug sales.

Created by pharmaceutical companies 35 years ago, the Farminform concept has certainly proved its worth, which is only escalating due to the ever-increasing amounts of data available in the industry. Farminform’s basic reporting product, the *fiROM* – which rolls up and analyzes sales data by product and by market on a monthly basis – has been on the market for 10 years and is purchased by nearly all of its customers.

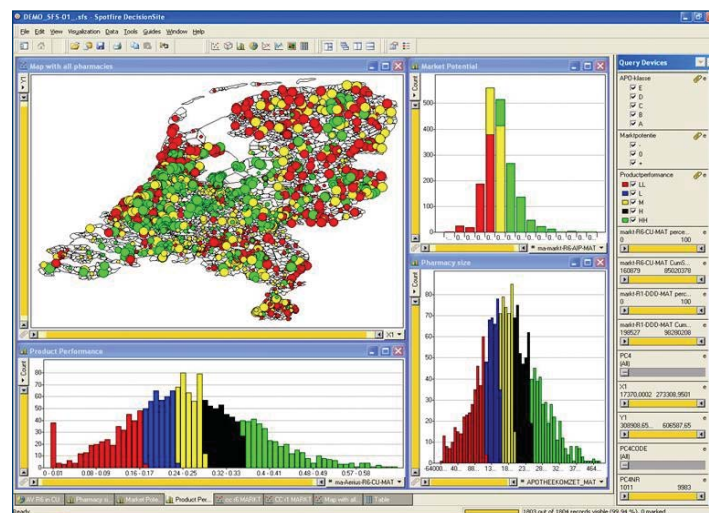
Today more than ever before, pharmaceutical marketing and sales organizations are looking for tools and services that will process and analyze complex datasets to enable them to identify

and focus on their most profitable customers. In response to this, Farminform recently introduced a new consulting offering – *fiFOCUS* – that will dramatically enhance a pharmaceutical company’s strategic management of its field sales force and marketing programs.

Farminform possesses all of the industry sales data at a detailed level for more than 16,000 “packs” or packages of different drugs/brands/sizes, as well as the sales data of all 1,800+ pharmacies where these drugs are sold throughout the Netherlands. Restrictions dictate that this information can only be reported anonymously and therefore sales data for pharmacies must be aggregated at the level of maximum 300 bricks.

Farminform conceived of the new *fiFOCUS* solution to capitalize on the fact that it had all of this data. Through *fiFOCUS*, Farminform helps its customers better target individual pharmacies without having to compromise the confidentiality of the data.

fiFOCUS is also an excellent tool to assist pharmaceutical companies with new product introductions, where it’s strategically important to measure market penetration and pharmacy sales data on a monthly basis.



This screen depicts the basic tools for analysis. The three distribution graphs represent the aggregated data for pharmacy size, market potential and product performance with coloring for the classes which were “made to measure” (from red for low to green for high) and the map represents the 1,800+ pharmacies by postal code and sales volume. This provides the ability to see correlations, e.g., between market potential and product performance.

Challenges

While *fiFOCUS* is an ideal way for Farminform to provide a valuable new service to its customers, the complexity of the data is overwhelming. Creating reports in Excel is fine for general analysis to show a static snapshot in time, but that doesn't enable Farminform to easily drill down into or dynamically filter the results.

Farminform needed an analytics and visual reporting solution that would enable the input of all the proprietary data while generating indicative target lists. It also sought a way to simplify the analysis of the many dozens of classifications of sales data at pharmacy level. There are three dimensions in the data which can be used for segmentation; each visualized in a distribution graph:

Tier 1: **Pharmacy size** is classified in five groups based on the actual sales to the pharmacies.

Tier 2: **Market potential** indicates the potential of a market segment at each pharmacy according to the share of total sales thereof and classified in three groups.

Tier 3: **Product performance** for a given product is based on share of product within its market for each pharmacy and classified in five groups.

The end result is that for each pharmacy there are 75 possible classification combinations, ranging from a very large pharmacy where market potential is high and product performance is very high to a very small pharmacy, with poor market potential and very low product performance. Inevitably it is challenging to manage 75 different categories of pharmacies. As the *fiFOCUS* product does not use a standard classification scheme, but provides the opportunity to tune the classifications to the perceived distributions of market potential and product performance and the strategy chosen by the customer, the challenge is even greater.

Solutions

Farminform determined Spotfire's DecisionSite to be the best data analytics application to segment the data and extrapolate conclusions. DecisionSite allows the organization to use the actual sales data without releasing proprietary information to create accurate aggregated content.

The solution enables Farminform to work with pharmaceutical companies to explore an infinite range of scenarios to view what would change based on the filters selected in real-time. Farminform can analyze and present 75 categories of data to determine the best-performing pharmacies in terms of highest sales, highest market potential and highest product performance. Spotfire automatically generates maps, correlation curves and box plots, visually depicting certain market share or product share within defined categories – all of which can be instantly revised. "No other tool facilitates visual analysis in such an elegant way," says Harm Friskus, analyst at Farminform.

Farminform uses DecisionSite to work with customers to select filtering criteria to narrow down a list of the best pharmacies to target, and from there, drill down further to individual pharmacies (e.g., based on their size or market share) represented by different colors on a map of the country. "DecisionSite enables our customers to visualize this information geographically," says Friskus. "It helps them to better understand the classification process and to see the impact its application of the results in the targeting of their sales efforts would have."

Farminform finds DecisionSite to be a unique tool to not only present the data to its customers in terms of market share and size of market, but also to work in cooperation with them to instantly perform further analysis based on an individual customer's marketing objectives. "DecisionSite is a great analytics tool and it makes it much easier for me to explain the *fiFOCUS* data to our customers," observes Friskus. "It's the only solution that enables me to simplify the immense complexity of data."

Results

With DecisionSite Farminform inputs multiple tiers of data and then segments based on customer objectives to instantly and visually see the effect of targeting in a specific geographic area for example. This improved insight has helped fine tune the parameters of *fiFOCUS*. "For the first time we're able to present our analysis in such a way that the customer understands exactly what it means," comments Friskus. "This helps him with the implementation of his strategic and tactical plans."

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Farminform also sees *fiFOCUS* and DecisionSite as the ideal tools for pharmaceutical companies introducing new products to the market because they are able to quickly determine which regions and which pharmacies are already achieving high sales volume with other products in that class.

With the help of the classifications obtained from the *fiFOCUS* study customers can easily correlate these with their sales and marketing efforts, for example, to track new product penetration from its first sales by pioneer pharmacists to progressively growing market share by an increasingly larger group of pharmacists.

DecisionSite facilitates the correlation of sales and marketing efforts to the pharmacies and Farminform provides models to translate

pharmacy data to data for prescribers in their surrounding areas, providing valuable insight into the effectiveness of their programs. This improved insight into which target groups are profitable enables more efficient sales and marketing resource allocation.

DecisionSite is becoming the standard interface for *fiFOCUS* and Farminform's goal is to sell *fiFOCUS* studies to all of the major pharmaceutical companies that do business in the Netherlands. "With its visual presentation and interactive analytics capabilities, Spotfire is helping Farminform bring a significantly new service to market," concludes Friskus.

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About Spotfire

For thousands of business users faced with day-to-day decisions, Spotfire analytics offers the platinum user experience for visually interacting with information. Distinguished by its intuitive ease and analytic power, Spotfire software rapidly reveals unseen threats and illuminates new opportunities, creating unprecedented economic value. Spotfire's customers include industry leaders among the Global 2000 that have deployed Spotfire analytics to gain an information advantage over their competitors. For more information, visit <http://www.spotfire.com>.