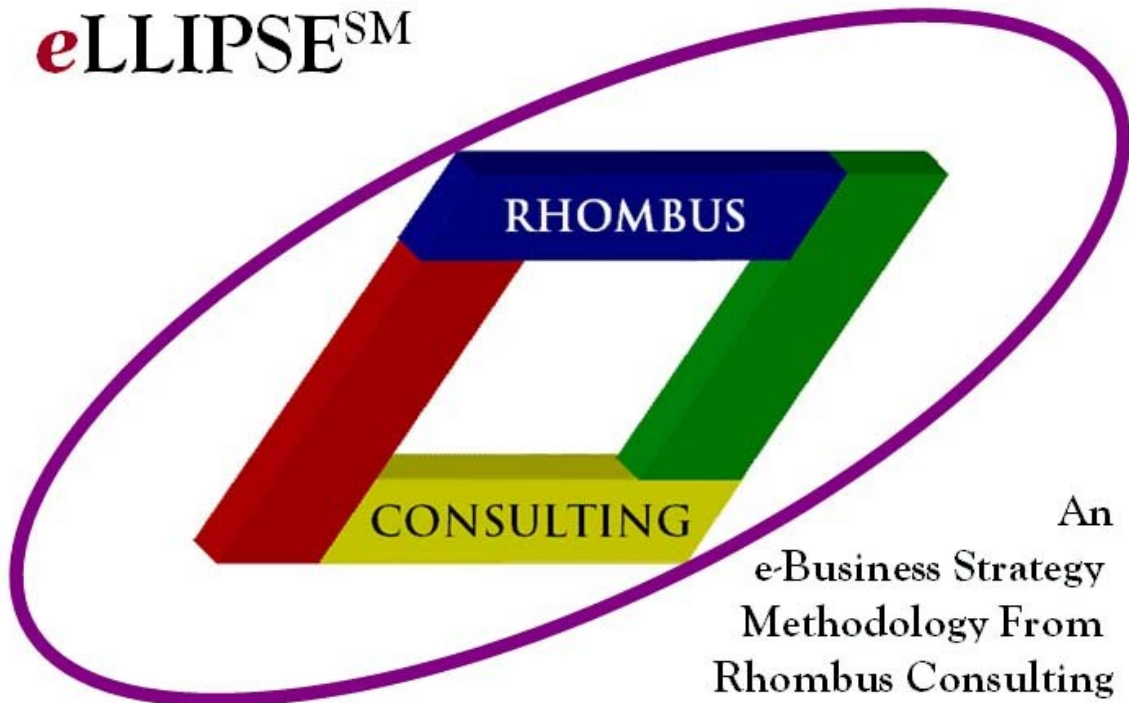


eLLIPSESM



A White Paper and Case Study from

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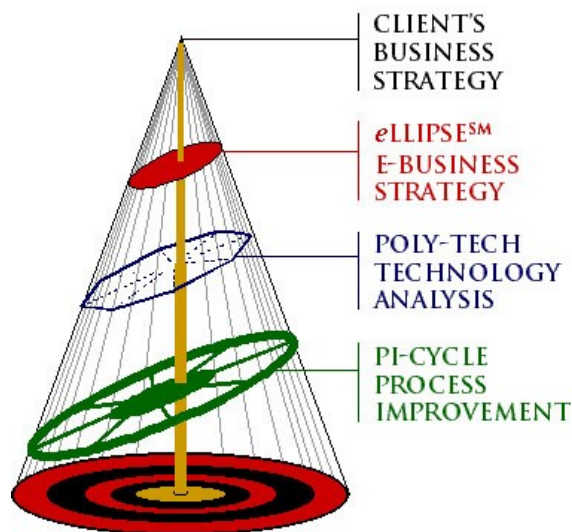
Contents

I.	Executive Summary	3
II.	Business Need	4
III.	eLLIPSE SM – A Definition	5
IV.	eLLIPSE SM Methodology	6
V.	Benefits	9
VI.	Differentiators	10
VII.	Case Study	11
VIII.	Summary	14

I. Executive Summary

More than ever, technology must be considered an enabler of business strategy, and not the strategy itself. Companies today must plan appropriately to maximize the potential that technology can offer their organization.

Rhombus Consulting has developed and leverages a proprietary methodology, eLLIPSESM, for developing e-Business strategies with our clients. eLLIPSESM applies the best practices used in combining business processes and leading edge technology to enhance a client's competitive advantage in the marketplace. It is a process that allows companies to quickly bridge the gap between their business strategy and initiatives and tactical activities that will further enable an organization to achieve its goals and objectives.



Through a flexible, three-step process (Discover, Evaluate and Strategize), eLLIPSESM results in a deliverable that outlines technical initiatives, options for prioritization, high-level estimates for cost and effort involved, and potential return on investment (ROI).

Many benefits can result from an eLLIPSESM exercise. They include, but are not limited to, determining the right technology for the right process, developing a forecasted ROI to justify the investment, identifying

opportunities for reusing functional components across initiatives and providing a deliverable that can be used to build internal consensus and buy-in from senior management to move forward with e-Business and IT solutions.

Many consulting firms provide high-level strategy offerings for e-Business to prospective clients. Rhombus Consulting's eLLIPSESM has been designed to address many of the specific challenges organizations face when developing an e-Business strategy. In particular, eLLIPSESM provides a:

- Balanced approach to business needs and technology opportunities
- Scalable approach, ranging from corporate-wide to product level exercises
- Customizable approach to the needs of your organization
- Robust set of recommendations, including estimates for investment and potential benefits
- Rapid timeline to recommendations – most exercises can be completed in a matter of weeks

Regardless of your role and responsibility within your organization, eLLIPSESM provides the means to determine how technology can best be leveraged to meet your business goals and objectives.

II. Business Need

The post bubble economy had delivered us a very strong message: New technology does not in and of itself replace sound business principles. More than ever, technology must be considered an enabler of business strategy, and not the strategy itself. Headlines over the past few years have been filled with dot-coms and other companies who failed miserably due to a lack of planning and an inability to leverage technology successfully.

At the end of the day, a business, any business, must do two simple things to survive and prosper:

- Deliver value to customers
- Leverage business practices and processes that drive success measures

While that is an oversimplification of the real world, it is fundamentally true for every company. However, it does provide the foundation for a series of questions any company should ask itself before beginning an e-Business or technology initiative:

- What value do we deliver to our customers? Do different customers find different value in our products and services?
- Why do our customers choose to do business with us rather than our competition? Why do other potential customers choose our competition over us?
- How can technology further enhance the value proposition we currently make to our existing customers, and also attract new customers?
- What are our primary success measures? Revenues? Profitability? Market share? Shareholder value? Every company uses a different combination and level of importance on these metrics to measure their success year in and year out.
- How can technology further enable our company to meet its success measure goals and objectives?

The ability to answer these and other questions is paramount to maximizing the potential that technology can offer your company. The next several pages outline how Rhombus Consulting's eLLIPSESM methodology can assist an organization through this e-Business strategy exercise.

III. eLLIPSESM – A Definition

An ellipse by mathematical definition is “a closed plane curve generated by a point moving in such a way that the sum of its distances from the two fixed points is a constant”. Geometric shapes are also used to define a boundary, typically what’s inside the boundary, and occasionally what is outside the boundary as well.

Our approach and methodology is designed to provide a constant approach to e-Business strategy, as well as recommending a scope of work, a boundary, of technology initiatives that will generate positive results for your organization.

Furthermore, eLLIPSESM is actually an acronym used by Rhombus Consulting to capture three main philosophies we have incorporated into our approach to conducting e-Business strategy engagements:

e-Business Leveraged for Long-Term Improvement to Processes Scaleable Across the Enterprise

e-Business Leveraged

Technologies, and how they are deployed, are constantly changing. Software development tools are evolving to provide new and improved ways of addressing problems. Web sites also go through evolutions, from brochureware and interactive sites to transactional and collaboration sites. Ultimately, the web can transform how your customers and employees do business.

eLLIPSESM incorporates an understanding of technology and recommends solutions that provide the best fit for your business processes.

Long-Term Improvement to Process

Our eLLIPSESM methodology looks to enhance the success measures of a company, as well as customer value, typically through significant process improvement. While the e-Business initiative may directly or indirectly impact some of these metrics, some method of benchmarking must be established to determine the effectiveness of the initiatives. If an initiative cannot effectively impact the goals and objectives of an organization, it should be reconsidered.

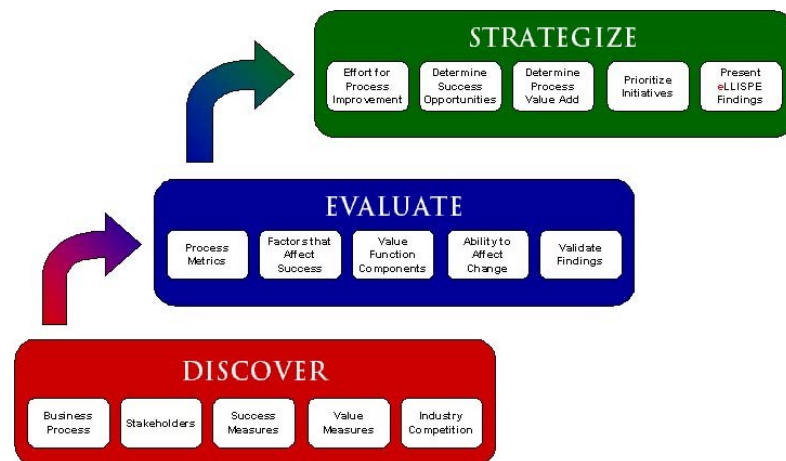
Scaleable Across the Enterprise

Finally, organizations require assistance and guidance at different levels, whether it is applied corporate-wide, at a departmental level, or even from a functional perspective. eLLIPSESM is a flexible approach to e-Business strategy that can be applied in many situations. For example, within the Life Science industry, eLLIPSESM can be leveraged company-wide or division-wide, within Marketing and Sales or Clinical, or just within a therapeutic area or product team.

As outlined in the next section, this approach to e-Business strategy can lift your business goals and objectives to a new level.

IV. eLLIPSESM Methodology

Through a flexible, three-step process (Discover, Evaluate and Strategize), an eLLIPSESM exercise results in a deliverable that outlines technical initiatives, options for prioritization, high-level estimates for cost and effort involved, and potential ROI.



A. Discover Tasks

eLLIPSESM begins with the Discover module, which includes tasks to select processes and stakeholders, as well as identify success and value measures, and industry competitors.

- § **Identify Core Business Processes.** The Discover tasks begin by determining the specific processes that will be examined during the strategy phase. Typically, they are external processes that touch the customer, but can be internal processes as well.
- § **Identify Major Stakeholders.** Once the processes are selected, the major stakeholders, both internally and externally, must be determined. Internally, we examine who has ownership and/or decision making authority regarding the process. Ideally, cross-functional representation is required to gather the full range of process insight, goals, objectives, challenges and ideas. As major stakeholders, their buy-in to the strategy developed later in this initiative is critical to the success of each subsequent project.

Externally, the target audience(s) must be identified. Each target audience has the potential for possessing a different set of value measures, and they all must be taken into consideration.

- § **Identify Success Measures.** Ideally, any initiative that is undertaken should tie back to the overall business strategy, as well as key goals and objectives. "Success Measures" outline the metrics used to determine the success of the company, a division within the company, or even a specific product. They include, but are not limited to, revenues, expenses, profits, number of customers/accounts, market share or the stock price. The Stakeholders identified above should determine which Success Measures are most important for their organization.

- § **Identify Value Measures.** Similarly, any initiative that is undertaken should look to incorporate new or additional value to the customer, both internal and external. “Value Measures” are typically transactional in nature, and define the reasons why a customer would choose a product or service from your organization rather than others. Value Measures include, but are not limited to, Cost, Quality, Service, Time, Availability and Logistics. The Stakeholders identified above, both internally and externally, should determine which Value Measures are the most important for the organization.
- § **Identify Industry Competitors.** Finally, it is important to understand what other companies are in your market. Once the earlier Discover questions have been answered, we will want to know what other companies your customers might do business with, and how you compare yourself to them. Based on the processes selected, the competitors may be different. During the Evaluate module of this phase, a high-level examination will be conducted to identify any industry trends or areas of value that the marketplace is demanding, yet an organization is not offering at this time.

B. Evaluate Tasks

Having completed the Discover tasks, we can begin to examine the respective processes at a detailed level. While the Discover tasks address the questions of Who, What, Where, When and Why, the Evaluate tasks will ask the question of How, and in particular, how can technology further enable the achievement of business goals and objectives.

- § **Evaluate Current Process Metrics.** Each of the processes identified above will be examined for various performance metrics. For a given organization, this will most likely include understanding the various touches between the company and their customers and how they can be leveraged to enhance the process with technology. Several examples of performance metrics include the cost of the overall process, revenue and profit per product offering.
- § **Evaluate Factors That Affect Success.** Once the process is understood at a detailed level, an examination of “cause and effect” must take place to determine what actions in the process impact additional positive outcome for the company, division or product line. For example, if revenue is identified as a success measure, is there a measurable increase in revenues when a company provides product samples to its customers? If so, one of the initiatives should focus on how to leverage technology to improve the order fulfillment process for product samples.
- § **Evaluate Value Function Components.** Furthermore, another examination of “cause and effect” must take place from the customer perspective to determine what actions in the process provide additional value in the transaction. For instance, is the physician more likely to prescribe a particular product if he/she has more time to participate in a quality detail? If so, one of the initiatives should focus on leveraging some form of eDetailing to complement the sales force, allowing them to get as much information about the product when their schedule permits.
- § **Evaluate Ability to Affect Change.** Before considering changes that could be implemented to a process through an e-Business initiative, an assessment must be made that determines the ability to affect change. Some factors within a process may prohibit change to take place, such as government regulation, the need for secure exchange of information, international and language challenges, as well as infrastructure limitations.

While these factors may be obstacles, and not constraints, they must be taken into account in order to successfully implement the recommended e-Business solutions.

- § **Validate Findings with Client.** Before moving to the Strategize tasks of eLLIPSESM, all of the findings from the Evaluate tasks should be presented to and validated by the stakeholders. This insures that our assessment is in line with the collective understanding of the business issues and challenges. The absence of validating the findings could result in initiatives that do not support the true business needs of the company. If there are significant discrepancies between the project team's findings and the understanding of the identified stakeholders, those specific areas should be reexamined before going further.

C. Strategize Tasks

Once the Discover and Evaluate tasks are completed, and the findings validated by the client, the Strategize tasks can begin.

- § **Determine Effort for Process Improvement.** This is a very critical step in the eLLIPSESM process. It is during this task that we begin to apply technology best practices and innovative solutions to the business needs that have presented themselves during the Evaluate set of tasks. Based on our knowledge and understanding at the time, we will work to define the scope of work, the level of effort involved (time and resources), as well as the high-level estimate of cost for each initiative. It is important to note that a one-to-one correlation between processes and initiatives does not necessarily need to exist.
- § **Determine Success Opportunities.** Based on the business needs and the recommended solutions, we can begin to estimate the potential impact on the success measures. Some of the resulting impact is very quantitative, and the benefits of the recommendations can be used in determining ROI. Other results are qualitative and require that conservative assumptions be applied in calculating the benefits. These forecasts will be used later in the prioritization of initiatives.
- § **Determine Process Value Added.** Additionally, based on the customer's needs and recommended solutions, we can begin to estimate the potential impact of the value as perceived by the customer. Again, some of the resulting impact is very quantitative, and the benefits of the recommendation can be used in determining ROI. Other results are qualitative and require that conservative assumptions be applied in calculating the benefits. Based on the initiatives outlined above, the improvements made in processes that affect the value as perceived by the customer can be forecasted. These forecasts will be used later in the prioritization of initiatives.
- § **Prioritize Initiatives.** Once the initiatives have been identified, and some measure of cost/benefit put in place, the proposed projects then need to be prioritized. While we would ideally like to pursue the initiatives with the strongest ROI first, there may be technical or competitive reasons to initiate other projects first.
- § **Present eLLIPSESM Findings to Client.** The findings and recommendations from the Strategize tasks are then presented to the stakeholders. It is important that the stakeholders understand the approach and results of this analysis. Typically, the first initiative(s) are positioned to begin immediately after receiving approval.

V. Benefits

There are multiple benefits to conducting an eLLIPSESM exercise prior to initiating a series of e-Business initiatives:

Right Technology for the Right Processes

First and foremost, eLLIPSESM will identify where technology will best serve the needs of the organization. To be successful, the technologies recommended must be compatible and maintainable by the organization.

Forecasted Return on Investment

The results of an eLLIPSESM study will provide a high-level cost/benefit analysis, which includes the following:

- How technology will drive success and value measures (forecasted benefit)
- Estimates for time, resources required, investment and technology for each initiative (cost)
- Timeline for when the forecasted ROI can be realized for each initiative
- Timeline for the prioritization of initiatives

Initiative "Reuse"

The findings, conclusions and recommendations of an eLLIPSESM exercise will reflect an understanding of opportunities to leverage specific technology in multiple initiatives. In doing so, eLLIPSESM recommendations provide stronger ROI through reduced investment and savings by "developing once, deploying many times." Companies can also experience time savings and potentially implement initiatives in a shorter period of time.

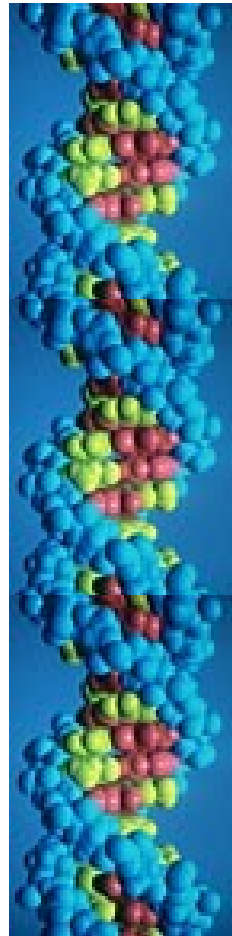
Internal Consensus

Finally, an eLLIPSESM study can be used to demonstrate value, build consensus and receive buy-in from senior management to move forward on specific technology initiatives. The results of eLLIPSESM answer the questions typically asked by executives empowered to make decisions on the use of technology.

VI. Differentiators

Many consulting firms provide high-level strategy offerings for e-Business to prospective clients. Rhombus Consulting's eLLIPSESM has been designed to address many of the specific challenges organizations face when developing an e-Business strategy.

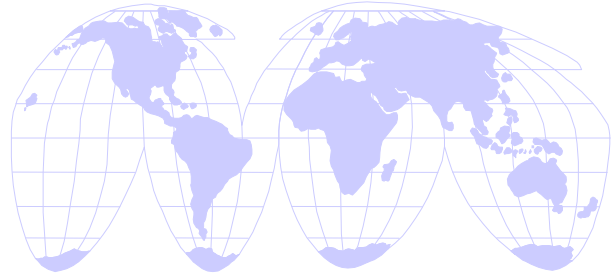
- **Balanced** – eLLIPSESM integrates the right combination of business analysis and technology expertise to e-Business strategy.
- **Scalable** – eLLIPSESM can be applied from a workshop setting for a single department or product team to a full-blown enterprise wide exercise. The time required and resources involved can be varied based on the scope of work.
- **Customizable** – Different organizations have different needs. The fundamentals of the eLLIPSESM methodology can be applied in any e-Business strategy exercise.
- **Robust** – Most strategy methodologies only skim the surface. eLLIPSESM provides you with concrete, tangible initiatives with realistic and achievable benefits.
- **Rapid** – An eLLIPSESM study can be implemented rather quickly, depending on the scope of work to be examined. Even the broadest projects are measured in weeks, not months.
- **Project Management** – Rhombus Consulting can provide the software life-cycle development (SDLC) roadmap for your technology projects, the necessary tools and templates, as well as seasoned PMs to lead your development and implementation initiatives from start to finish.



VII. Case Study

For a major international pharmaceutical organization, the eLLIPSESM methodology was used to develop its global Marketing and Sales e-Business strategy.

Scope – During a twelve-week exercise, all four of the company's product lines were examined and six different markets that had been determined to be representative of the various marketing and sales challenges facing the company were visited.



- Major Findings – It was quickly concluded that a “one sizes fits all” approach could not work for e-Business initiatives in this organization. Several factors contributed to the need for a flexible approach to any recommendations:
 - Varied Web Presence – There was little consistency between the markets as to their web presence (if any), the freshness of content and the ability to navigate the site (or find it, for that matter).
 - Different Product Families – Two of the four product families were sets of products used in emergency room and surgical procedures, and not a prescription medication. The primary target audience became the specialists in the respective fields where the product has indications. As a result, e-Business initiatives such as ePrescribing fell off the list of opportunities to explore further.
 - Many Countries, Many Regulations – Even with the harmonization efforts underway in the EU, all of the markets visited had different regulatory constraints as to how information could be shared with medical professionals, and with patients, if at all. However, while direct-to-consumer product sites may not be a viable option in many of these countries, building awareness of particular diseases or conditions might be an alternative.
 - Justified Business Case – Not all of the countries had products from all four-product families registered. In markets where there was not enough volume of sales or contribution to the bottom line, some of the solutions may not have been deployed.
- Recommendations
 - Improve the overall Web Presence – Several recommendations were offered regarding the company's global site, respective country sites and complementary sites that ideally should be linked to, but not a direct part of, the global site. Specifically, two markets with no web presence were targeted for deployment, along with the redeployment of the existing global and regional sites. Additionally, recognizing the high use of search engines to find health-related information, it was

recommended to improve the ranking of search engine results in respective countries. Finally, a regional site template, functionality and database structure was recommended to allow for easy deployment in future markets, as well as a similar style, navigation and brand image to insure consistency across all the regional sites. With nearly 80% of its corporate revenues driven by North America and Western Europe, leveraging the Internet in these markets was a logical and beneficial choice.

- Develop Redeployable Physician Portals – The next set of recommendations were focused on the medical community, and providing value-added information and functionality that complemented their existing products and services. At a high-level, the Physician Portals were designed to accomplish several objectives:
 - § Create disease awareness
 - § Provide product information and eDetailing capabilities
 - § Recruit thought leadership and opinion leaders in specific therapies
 - § Provide symposia and conference materials
 - § Disseminate training materials regarding storage, preparation and usage of particular surgical products to complement on-site training activities

The recommendation was to develop a portal “template”, including page layout, functionality and database structure to allow for easy deployment, as well as a similar style, navigation and brand image to insure consistency across all the physician portals. As a result of the business needs, six specific market/therapeutic areas were targeted for initial deployment.

- Develop Redeployable Disease Communities – In recognition of the Direct-to-Consumer constraints in most of the markets studied, a similar set of recommendations were focused on disease centric patient communities. The high-level objectives are to:
 - § Create awareness and educate patients regarding respective diseases
 - § Provide for the exchange of experiences in coping with the disease among patients
 - § Provide answers to frequently asked questions that a patient may have about the disease or condition
 - § Provide information regarding additional resources that can provide assistance to patients and caregivers, both on-line and off-line.

The recommendation was to develop a “template” for these communities, including page layout, functionality and database structure to allow for easy deployment, as well as a similar style and navigation to insure consistency across the disease communities. As a result of the business needs, two specific patient communities were targeted, with intentions of future deployments in other markets.

- Benefits
 - Strong Return on Investment – The investment necessary for each of the three initiatives was determined, as well as a conservative forecast of the potential benefits. As stand-alone initiatives, as well as a set of initiatives, the company could realize a return on its investment in 6 to 15 months. Furthermore, the incremental costs for future deployments in other markets or therapeutic areas would provide for a faster return, as the initial development investment had already been accounted for in the first set of deployments.
 - Shorter Duration for Overall Deployment of Initiatives – With insight to the overall set of recommended initiatives, the proposed design would leverage functionality components that will be reused in more than one of the efforts. As a result, the overall time necessary to develop the web sites will be shorter, and will provide for a faster deployment schedule than might otherwise have been realized.
 - Consistency for Content Management, System Maintenance and Future Deployments – The design of the proposed recommendations allowed for non-technical resources to create and update site content. This can be an aspect of web site development that is otherwise overlooked, and can cause rapid depreciation of the web site value because the content has become stale. Additionally, with shared components and similar database structures, the ability to maintain the overall company web presence will be easier, allowing for shared resources between regions if necessary, and minimal training for new resources in the future. Finally, familiarity with the existing site, functionality and maintenance should allow for straightforward future site deployments in new markets.



VIII. Summary

In closing, there have been several themes discussed throughout this paper, and worth mentioning once more.

- eLLIPSESM is a focused, e-Business strategy methodology that aligns your technology initiatives with your business goals and objectives.
- The results of an eLLIPSESM study can also be leveraged to communicate the recommendations to others in the company if additional buy-in is necessary.
- The flexibility of the eLLIPSESM framework allows for either a high-level approach for the entire company, or a targeted approach for a specific segment of your business.
- Not only are the deliverables from an eLLIPSESM effort delivered quickly, but the resulting initiatives are positioned to begin almost immediately thereafter.

Regardless of how mature your current technology is, it is more likely than not that you and your organization are thinking about “What’s Next” for us in regards to IT. eLLIPSESM can provide those answers and more – let us show you how.



Brian R. Dakin is the founder and Principal for Rhombus Consulting, Inc., a firm specializing in e-Business Strategy, Project Management and Advisory Services for identifying and implementing technology solutions that result in solid, quantifiable process improvement. To find out more about eLLIPSESM and our e-Business Strategy offerings, contact us at ellipse@rhombusconsulting.com. The author can be contacted at brian.dakin@rhombusconsulting.com.