

A tailor-made online tool improved the purchasing of marketing services for over 20 pharmaceutical brands. By **Hana Yoosuf**

Clinical decisions

CATEGORY

Best use of technology

WINNER

AstraZeneca

Maintaining individual brand identity through marketing is important, but marketing each product in isolation can result in inefficiencies.

This is what AstraZeneca discovered when it carried out a major review of its global marketing spend, prompting it to introduce a new web tool to tackle the category.

AstraZeneca spends in excess of £49.4 million a year on marketing more than 20 of its heart, lung and cancer drugs. The desire for each brand to maintain an individual identity meant each acted alone to purchase these services.

In addition, the process for selecting and managing marketing agencies varied immensely, which led to differences in the services provided and the amount charged. Furthermore, there was a lack of transparency and communication between brand teams was inconsistent.

To win marketing colleagues' support for the changes, procurement, together with consultancy 4C, worked with them on the specification for the final tool, SmartSourcing. It was also made clear that it would be marketing, and not procurement, that chose the supplier.

Doug Price, director of R&D purchasing

at AstraZeneca, explains: "It is a knowledge base which allows us to capture all the things we need to agree on with the marketing agencies – such as agency capabilities, charging rates, activity costs, etc – in an online environment."

In addition to cost-savings, the benefits of using this tool include consolidation of suppliers, faster delivery of services and reduced administration. It has also had a very positive impact on the relationship between the company's marketing and purchasing staff.

But aside from cost savings, the transparency the tool offers has proved to be of greatest benefit. Not only is all communication between procurement, marketing and the marketing agency online, but the agreement is also recorded online and uploaded to the

purchase order, which can then be viewed by other brands.

The effectiveness of agencies is rated and recorded online by those responsible for each brand, offering another element of "knowledge sharing", says Price.

By the end of 2004, the pilot run of SmartSourcing had achieved savings of £4.95 million. The tool officially launched in January 2005 and by 2006, 90 per cent of AstraZeneca's marketing staff were using it regularly.

The judges said: "They listened to what their internal customers actually wanted – this is impressive. It has shown the scope of procurement to the sceptical areas of the business and improved procurement's profile in the company. This is real, tangible, strategic outsourcing."

IMAGE: ASTRA ZENECA



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