

DEFINING THE POTENTIAL OF EXPERIENCE TRANSFORMATION

Change Economics Case Study

CLIENT SITUATION

Our client operates in an independent retail pharmacy market pressured by reduced reimbursement, a growing footprint of large retail chains, and restrictions from payor design. Despite these headwinds, the organization sought to grow its independent retail pharmacy division, compelling its 8,000 customers to expand their purchasing through the segment.

Teams across the organization had worked in silos. They lacked an end-to-end experience transformation strategy that addresses customers' purchase and satisfaction drivers and instills a common framework for prioritizing the initiatives that drive aligned decision-making, skillset development, and ways of working in favor of shared organizational goals.

A Fortune 50 pharmaceutical company sought to develop a set of prioritized, actionable customer experience (CX) initiatives that would fulfill customer needs and expectations while simultaneously driving business growth in its community pharmacy division. Applying **North Highland's Change EconomicsSM** solution, we enabled the client to holistically value and prioritize prospective improvements based on customer value, business value, and operational feasibility. This work culminated in one source of truth and a standard framework to guide future investment decisions. Our solution has helped the client differentiate through a foundation for ongoing improvement, innovation, and capability development that continuously yields new sources of value through change and transformation.

OUR APPROACH

Over 12 weeks, we partnered with our client through an iterative and co-creative process designed to ensure that the organization's workforce was aligned around the drivers of transformation value and felt a sense of ownership over the outcome. Partnering with a dedicated core team from the client, we collected all prospective customer improvement initiatives related to community pharmacy. Our team then interviewed cross-functional leaders to understand the key drivers of future business value. In total, we inventoried over 120 documents and conducted over 60 interviews—spanning key stakeholders, leadership team members, and sales and support team members. This process yielded over 300 prospective improvement initiatives.

Combining these perspectives, the core team aligned on the critical drivers of value for both customers and the business, and utilized these drivers to prioritize the organization's existing initiatives and new ideas. Our approach assessed prospective improvements relative to customer value (desirability), business value (viability), and operational impact (feasibility), yielding a balanced and thoughtful prioritization model that instilled alignment across functions:

- **Customer value:**
Holistic in nature, from primary customer insights, represents higher-order needs
- **Business value:**
Future-focused, aligned to corporate strategy, representative of fiscal priorities
- **Operational impact:**
Level of effort, level of investment, level of risk

Across the areas of business, customer, and operational impact, we assigned weighting to evaluate initiatives based on their ability to address value priorities and operational feasibility.

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Our team then filtered prospective enhancements through the lens of long-term improvement, helping the client extract additional value from its change and transformation investments through sustained capability development.

- **Horizon one:** Build trust through best-in-class pharmaceutical distribution operations and a simplified, transparent, and customer-oriented core experience.
- **Horizon two:** Move beyond pharmaceutical distribution, offering value-added services that guide community pharmacies, and enable them to grow and manage their businesses.
- **Horizon three:** Bring the client's unique capabilities, organizational scale, and industry insight to reimagine how community pharmacies can impact community health.

By taking a comprehensive approach to valuing prospective improvements across these three horizons, our Change Economics solution helped the client build a differentiated ability for ongoing improvement, innovation, and capability development that continuously yields value.

VALUE DELIVERED

After objectively evaluating each idea and initiative's ability to improve customer spend and long-term loyalty, we helped the organization chart the path forward on its transformation journey with a view of the ten initiatives to take forward based on expected economic value to the organization. We found that these improvements would culminate in a projected revenue increase of \$150M to \$390M annually.

Through this process, our client established one source of truth for all community pharmacy CX-driven improvement initiatives and a standard model

for ongoing prioritization to guide future investment decisions, strengthening organizational alignment around new programs.

Most importantly, we helped our client balance incremental improvements and near-term opportunities with longer-term, future-focused value creation. In turn, our work empowered the client with a strategy that not only enabled a simplified, transparent, and customer-focused experience, but also armed them with the ability to continuously unlock new sources of growth through change and transformation.

ABOUT NORTH HIGHLAND

North Highland is a leading change and transformation consulting firm, recognized for its deep expertise and collaborative, action-oriented approach. Invested in our **client's success** and powered by the belief that **everything begins and ends with people**, we bring together the brightest minds to create **positive change** and **transform businesses** through **customer, workforce and operational lenses**.

Headquartered in Atlanta, Ga., and regularly named a best place to work, North Highland is an employee-owned firm with more than 5,000 consultants worldwide and 65+ offices around the globe. The firm is a member of Cordence Worldwide (www.cordence.com), a global management consulting alliance. For more information, visit northhighland.com and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).