

Nearly two-thirds of life sciences executives set sights on AI to improve revenue optimisation in 2024: Report

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Life Sciences executives identify compliance and communication challenges



US-based Model N, Inc., the leader in revenue optimisation and compliance, has published its sixth annual State of Revenue Report, revealing life sciences and high-tech executives' top business priorities and challenges.

The company's 2024 report named process efficiency and cost-saving measures as priorities for executives, with greater emphasis placed on advanced analytics and artificial intelligence (AI) to achieve these priorities. For a second year in a row, supply chain disruption emerged as one of the top obstacles to innovation across all industries.

Beyond persistent macroeconomic headwinds, 2024 survey results highlighted several industry-specific challenges. Among pharmaceutical manufacturers, most executives are worried about the influence of regulations on future revenue. Half of the leaders surveyed are bracing for a significant revenue impact from price negotiations with Medicare under the Inflation Reduction Act, more than double the results from the 2023 survey.

For medical technology executives, communication between field sales and operations teams is a top concern, with just 38% reporting excellent communication. The MedTech industry continues to adjust to new financing and subscription models for capital equipment and software, evolving from one-time to recurring revenue. Nearly 60% of executives reported difficulties with managing such models.

“Life sciences and high-tech manufacturers rely on complex, multi-stage revenue processes. Failing to consistently monitor, analyze, and optimise these processes is a recipe for increased risk,” said Suresh Kannan, Chief Product Officer, Model N. “This year’s State of Revenue Report underscores how existing business practices must evolve and harness the power of data and advanced analytics to overcome industry challenges, optimize revenue, and meet critical business needs.”