

# TECH CHOICES



October 28, 2005

## eDetailing Scorecard Summary: Lathian Systems

Key Findings From "The Forrester Wave™: eDetailing, Q4 2005"

by **Elizabeth W. Boehm**

with Eric G. Brown, Shivika Asthana, and Will McEnroe

### EXECUTIVE SUMMARY

One of the early entrants in the eDetailing arena, Lathian has built its reputation on technical excellence. The firm was the first to engineer standard interfaces with Siebel, and its eDetails are well-produced with excellent graphic and audio capabilities. In 2004, Lathian focused on its core product suite while competitors expanded into strategic consulting and related marketing services. The company rebounded in 2005, and it is best suited for marketing teams that understand eDetailing's value and are looking for tight integration with core systems.

### LATHIAN IS BEST SUITED FOR FIRMS LOOKING FOR AN eDETAILING PLUG-IN

MyDrugRep.com embodied the eDetailing market's early focus on providing a rep-like experience online as the genre got off the ground in 2001. As its name suggests, MyDrugRep was the first company to recognize the need to integrate eDetailing with its traditional face-to-face counterpart, engineering the market's first standard integration with leading pharma sales force automation vendor Siebel. When more rep-focused systems like iPhysicianNet floundered, the company changed its name in late 2001 to Lathian Systems, maintaining MyDrugRep as its physician-facing portal. The company's strong sales efforts and continued technology strength have allowed it to build significant market momentum in 2005.

Forrester evaluated Lathian Systems' current offering and strategy for eDetailing against 35 criteria (see Figure 1). Overall, the product has strong production value and technical integration capabilities, but it lacks the physician reach and financial stability of some of its competitors. This means that the product is an especially good fit for buyers that:

- **Already have a solid strategy for physician marketing mix management.** Currently, the company's executive team is focused first and foremost on core eDetailing capabilities and related services — such as eCME, online market research, and online advisory boards — that competitors already provide. Meanwhile competitors like Medsite and closerlook have expanded their capabilities to include strategic marketing mix analytics and consulting. But Lathian is not out of the running. Companies and brands that have already charted a marketing mix analytics course will find that Lathian's technology and data flexibility will tie right into their existing campaign management and marketing analytics systems.



#### Headquarters

Forrester Research, Inc., 400 Technology Square, Cambridge, MA 02139 USA  
Tel: +1 617/613-6000 • Fax: +1 617/613-5000 • [www.forrester.com](http://www.forrester.com)

- **Are looking for a partner with impeccable content and technology credentials.** Lathian's eDetailing programs feature high-quality graphics that clearly and simply convey complex medical concepts. But the company's true strength lies in its core, behind-the-scenes technology capabilities. Lathian was the first to integrate with Siebel back in 2001, and it is able to connect to clients' core SFA, CRM, and data warehousing systems in real time through Web services and standard APIs. Companies looking to incorporate eDetailing data into a broader, data-driven promotional strategy will find a ready partner in Lathian Systems.

To see how Lathian Systems stacks up against six other competitors, see the Forrester Wave™ evaluation of the eDetailing market.<sup>1</sup>

**Figure 1** Lathian Systems eDetailing Evaluation Overview

CURRENT OFFERING

Breadth of offering	Lathian employs a credentialed staff of medical writers, content developers, and learning theory experts to create original content for its programs. The programs demonstrate exceptional use of graphics, animation, and audio to explain complex medical concepts, but navigational control and interactivity are minimal. The company's solution can be contracted on a subscription basis or as an enterprise solution, but both models are only available as an ASP service. Lathian has the capability to support multiple languages, but its non-US experience is limited to the UK.
Reporting and analytics	Lathian has extensive reporting and analytics capabilities. It was the first company in the industry to integrate with Siebel, and it currently offers bi-directional, uni-directional, real-time, and batch integration. The company can extract aggregate and user-specific data into any data format the client requests and can provide standard reporting via a secure, password-protected reporting Web site.
Recruiting	To date, more than 57,000 unique physicians and 3,941 distinct non-MD health professionals have completed eDetails with Lathian — about average compared to other vendors in the evaluation. The company's rate for completion of follow-on eDetails also falls within the average at 60% to 70%. Lathian owns all physician contact information derived from a campaign, but it also negotiates co-ownership with clients. In addition to licensing commercially available databases, Lathian's proprietary contact database is currently comprised of more than 60,000 member physicians.

STRATEGY

Executive vision	Lathian's executives have a clear understanding of the forces that shape the eDetailing market. Sales momentum is strong, and the company has plans to continue product innovations. Forrester expects momentum to continue, but we have concerns that the company may be susceptible to ebbs and flows in pharma marketing dynamics, rather than maintaining steady growth and investment.
Product road map	Lathian executives expressed a clear vision for building out its integrated eDetailing platform combining promotion, education, conferencing, sales effectiveness, and market research in a single cohesive platform. The company plans to launch a new "electronic sales organization" (eSO) product aimed at helping sales professionals be more effective. However, Forrester believes that the company still has some distractions to overcome.
Pricing flexibility	Lathian provides a good deal of flexibility with its pricing models, supporting a pay-per-completion model and a subscription model with a fixed price. The cost of its programs is consistent with other vendors in the evaluation.
Other strategic factors	Prospects report aggressive sales efforts and a revitalized brand image. However, an agency partner interviewed by Forrester reported disappointing recruiting results in a program targeting PCPs.

Source: Forrester Research, Inc.

**Figure 1** Lathian Systems eDetailing Evaluation Overview (Cont.)

MARKET PRESENCE	
Installed base	Lathian has a substantial base of clients, having worked with 41 pharmaceutical/medical device companies and 62 product teams since the company's inception. The company completed approximately 50,000 eDetails in 2004 and has completed 201,000 eDetails to date.
Strategic partners	Partners include Cisco, Macromedia, and Microsoft for technology; Cardinal Health, Dendrite International, MedManage, and Siebel for sales; and Elsevier for medically relevant gifts or honoraria. Additional partners include DD Harris, IMS, MDConsult, and RealTime Media (DTC data integration).
Company status	Lathian Systems is independent and privately owned. Ownership of the company is held approximately 75% by venture investors and 25% by employees and individual investors. In August 2005, Lathian's lead investor became New Leaf Venture Partners (formerly The Sprout Group of Credit Suisse First Boston).
Revenue	Lathian's revenues for eDetailing fell well below average for the vendors evaluated.
Revenue growth	Lathian's revenue growth from eDetailing fell well below average for the vendors evaluated. However, its 2005 estimates look stronger.
Profitability	Lathian planned for and achieved profitability in 2003, but subsequent plans to invest in new services and the decline in sales in 2004 resulted in a net loss in 2004. Year to date in 2005, Lathian was profitable on its eDetailing business segment. Lathian increased investment in developing and promoting new products, beyond eDetailing, which were announced on September 19, 2005. These investments adjusted the consolidated profitability target to later in 2005. In all cases, Lathian expects to achieve profitability in 2006. The company has been generating positive cash flow from operations since the Q4 2004.
Available cash	Lathian Systems has raised \$16 million in three financings since its founding in 2000. Its cash reserves fall well below average but are currently growing.

Source: Forrester Research, Inc.



Go online to download additional in-depth data and scores for this vendor and other vendors included in this Forrester Wave evaluation.



## SUPPLEMENTAL MATERIAL

### Online Resource

The underlying spreadsheet for Figures 1 and 2 is available online. The spreadsheet includes more detailed data and scores for this vendor.

This detailed data and scores for this vendor are also available online through an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

### Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we narrow our final list to those presented here. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in this document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and readers are encouraged to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

## ENDNOTES

- <sup>1</sup> Life sciences marketers are hopeful that eDetailing — industry-created online promotional programs that seek to inform medical professionals about drugs, devices, or disease states — will help maintain influence on busy physicians in an era of regulatory scrutiny and sales budget crunches. To assess the state of the eDetailing market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top eDetailing vendors across 35 criteria. The result: Medsite and Graphic Details lead the field with a strong analytics foundation, solid production value, and clear strategies for continued growth and differentiation. Included in this report is an interactive vendor comparison tool that provides detailed product evaluations and customizable rankings. See the October 28, 2005, Tech Choices “The Forrester Wave™: eDetailing, Q4 2005.”

---

*Forrester Research (Nasdaq: FORR) is an independent technology and market research company that provides pragmatic and forward-thinking advice about technology's impact on business and consumers. For 22 years, Forrester has been a thought leader and trusted advisor, helping global clients lead in their markets through its research, consulting, events, and peer-to-peer executive programs. For more information, visit [www.forrester.com](http://www.forrester.com).*

© 2005, Forrester Research, Inc. All rights reserved. Forrester, Forrester Oval Program, Forrester Wave, Forrester's Ultimate Consumer Panel, WholeView 2, Technographics, TechRankings, and Total Economic Impact are trademarks of Forrester Research, Inc. All other trademarks are the property of their respective companies. Forrester clients may make one attributed copy or slide of each figure contained herein. Additional reproduction is strictly prohibited. For additional reproduction rights and usage information, go to [www.forrester.com](http://www.forrester.com). Information is based on best available resources. Opinions reflect judgment at the time and are subject to change. To purchase reprints of this document, please email [resourcecenter@forrester.com](mailto:resourcecenter@forrester.com). 37878