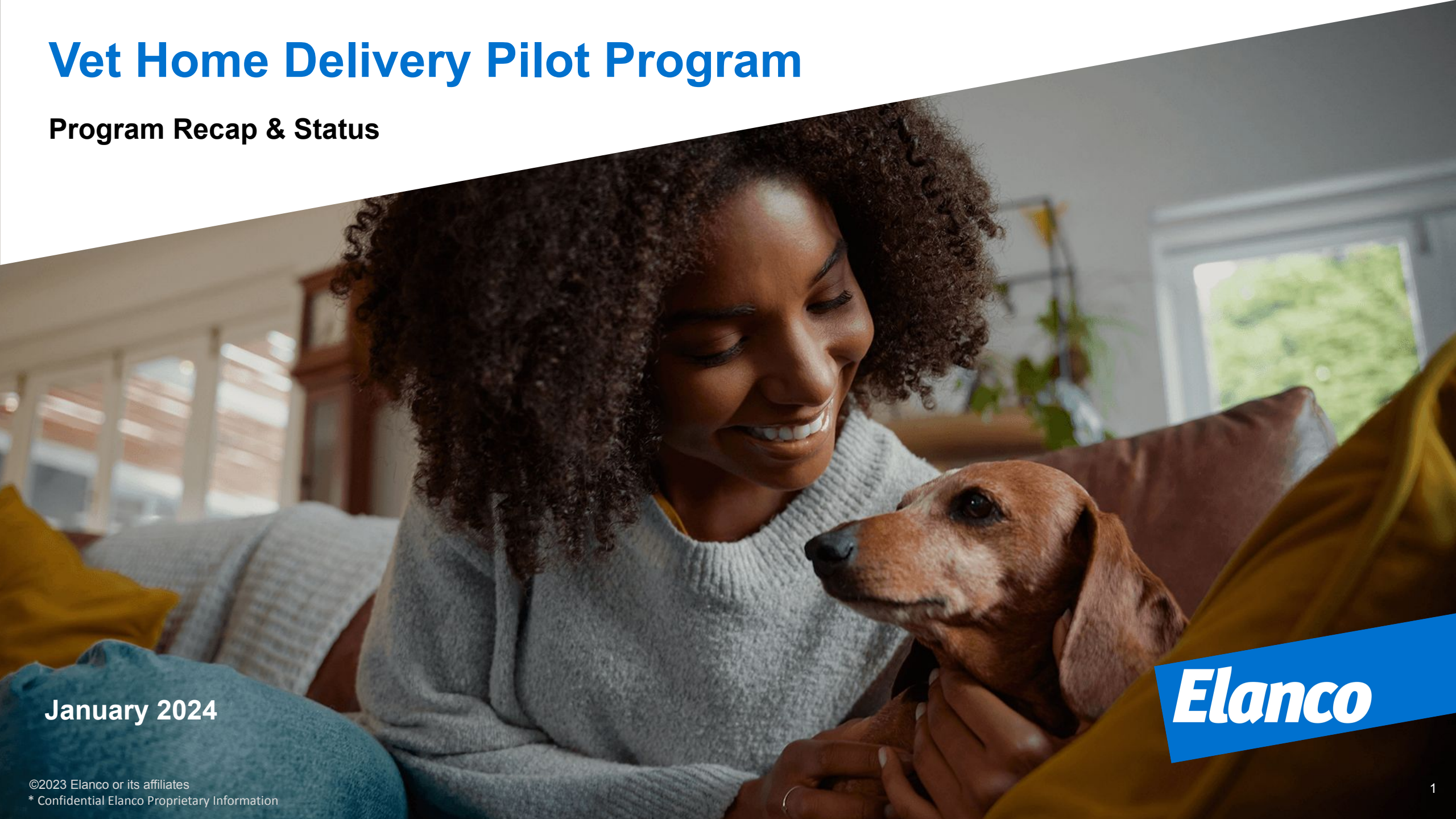


Vet Home Delivery Pilot Program

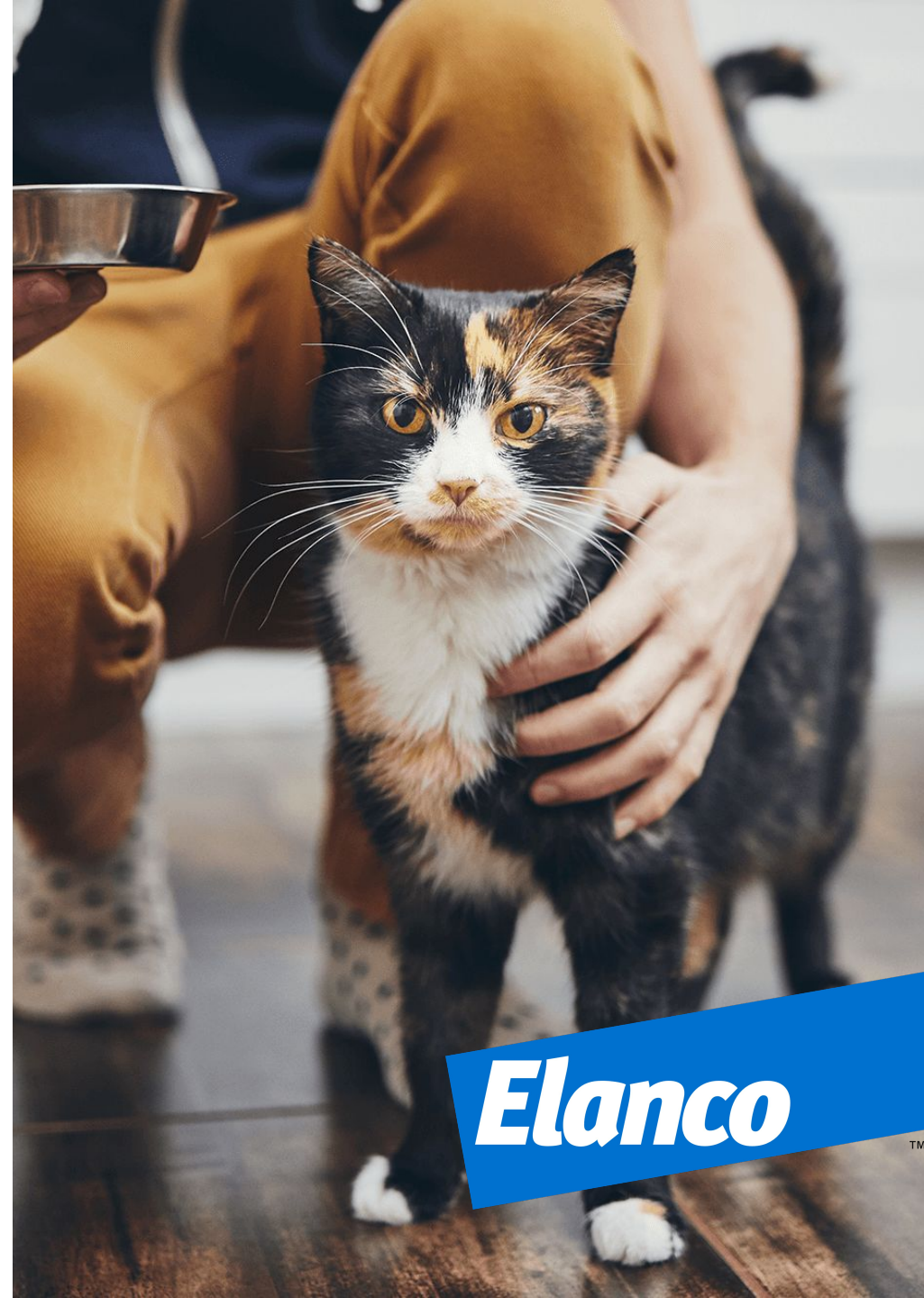
Program Recap & Status



January 2024

Elanco

Background



Elanco

Clients Are Shifting Their Pet Rx Purchases Online

Majority of RX Sales Still Happen at the Vet

69% of sales are fulfilled through the Vet Clinic that prescribed the Rx.

But eCommerce Consideration Is Growing

75% Chewy
30% Amazon
28% Walmart

Vets feel these competitors encroaching on their operations.

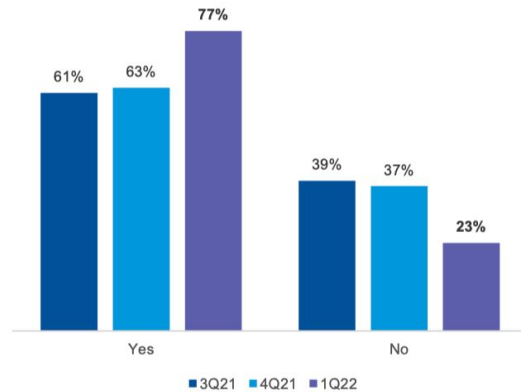
Customers Default to Known eCommerce Retailers

Due to low awareness, customers don't think of their vet's eCommerce platform - instead they turn to retail channels like Chewy to fulfill RX.

Source: Elanco internal Marketing Analytics data

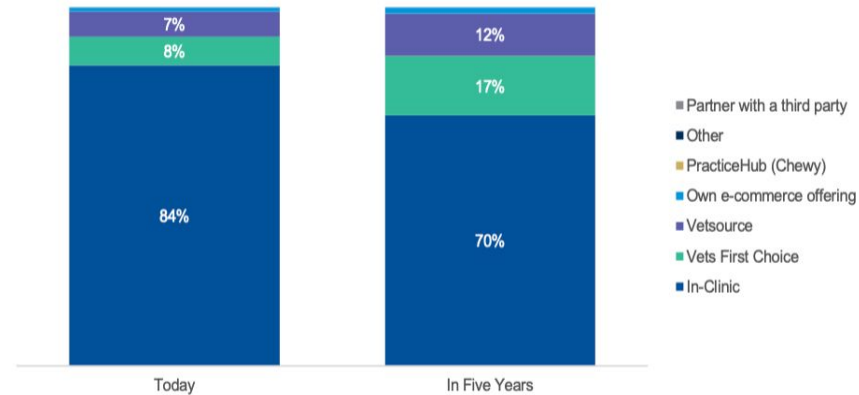
Recognizing This Trend, Home Delivery Platforms Have Grown in Recent Years

77% of Practitioners Own/Utilize Home Delivery



Source: Morgan Stanley Research, n=75 veterinarians

% of Clinic RX through eComm expected to grow



Source: Morgan Stanley Research, n=75 veterinarians



Source: Elanco internal Marketing Analytics data

But, time is a resource constraint when it comes to competing with retail.
Today's clinics are busy enough, making it difficult to devote time into new platforms or solutions without significant incentive.

Home Delivery Presents a Unique Opportunity for Clinics to Retain Sales, Improve Client Relationships and Operate More Efficiently

Macro Trends Impacting Clinic Operations:



Losing In-Clinic Sales to Online Retailers

Growth of online shopping, accelerated by COVID-19, has moved many consumers away from in-person purchases to online shopping, due to price and convenience.



Incomplete Client Data & Compliance Risk

Clients fulfilling scripts outside of the clinic removes valuable client data from clinic PIM – leading to incomplete patient records and potential for lapses.



High Workloads Stretching Staff for Time

Despite transitions to online Rx purchases, clinics are seeing more clients than before, and already stretched staff are balancing full workloads to contribute to the clinic.

The Pilot Was A First-of-Its-Kind Initiative Aimed at Unlocking Multiple Learning Objectives

By embracing this pilot program as a learning opportunity for Elanco and using the experience of these clinics as a foundation, we aim to refine our strategies to drive greater success for similar programs in the future.

Primary Objective:

Drive sales growth in Home Delivery at participating clinics.

Note – short duration of pilot (8 weeks) may not result in significant trend change. Will continue connection with clinic post-pilot and gain data check-in after 6 months.

Secondary Objective:

Leverage the pilot itself as a learning opportunity to determine what works to drive Home Delivery at veterinary clinics.

Parkdale Pet Clinic, Countryside Veterinary Services and Family Pet Health serve as case studies that will be used to further extract key insights and lessons for future tests.

These insights will then be incorporated into trainings with Elanco sales to allow for scaling of lessons to other clinics and regions.

Executive Summary | Overview of Early Pilot Results



↑34% & ↑24%

increase in clinic **Home Delivery revenue** during pilot.

(pilot vs. prior period)

Home Delivery Revenue



↑22% & ↑5%

increase in **Home Delivery buyers** during pilot.

(pilot vs. prior period)

Home Delivery Buyers

86% 

of post-pilot respondents estimate the pilot **had a positive financial impact** on their clinic.

Staff Sentiment

↑59%

of post-pilot respondents report feeling **less stress about Home Delivery** after the pilot.

Staff Stress Reduction

↑82% *+45pts vs. pre-survey*

of post-pilot respondents feel **well-prepared to use the HD platform** today.

Staff Knowledge

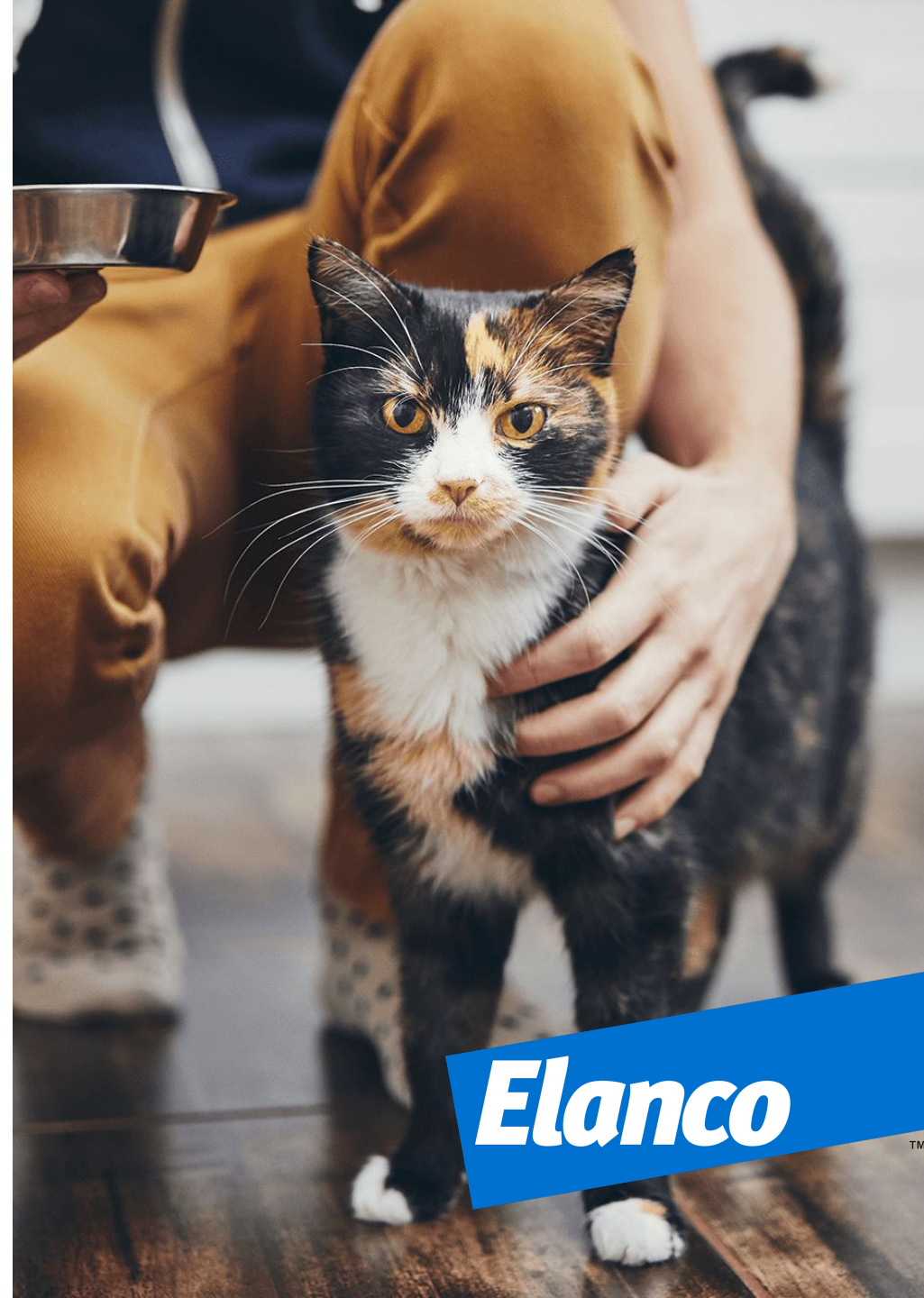
↑64% *+45pts vs. pre-survey*

of post-pilot respondents **feel confident they could answer client questions** about HD post-pilot

Staff Confidence

**Parkdale + Countryside results only – awaiting final data from Family Pet Health, to be included when available*

Project Overview



Elanco

An Extensive Pilot Was Developed to Address Common Clinic Hurdles

SEP-OCT 2022



Research, Clinic Selection

- Held intake meeting with sales reps
- Selected ~3 clinics with variance in maturity of Home Delivery adoption

NOV-DEC 2022



Support Plan Buildout

- Brainstormed and workshopped pilot test plan (tactics to execute)
- Aligned on objectives and test plan with clinics
- Tailored support to clinics, capturing nuances & ensuring core barriers are addressed

Q1-APR 2023



Clinic-Level Implementation & Execution

- Conducted pre-pilot survey
- Deployed tactics

JUNE 2023+



Share-Out of Program Insights & Evolution

- Analyzed results from all pilot clinics
- Analyzed post-pilot survey
- Ongoing share-out of insights with key leaders
- Developed pilot 2.0 recommendations

What Is The Pilot Program

An 8 week direct partnership with 3 clinics & Elanco Sales Leaders, **providing custom sales and marketing support**, in an effort to grow adoption of Home Delivery.

Elanco's Home Delivery Pilot Clinics & Sales Support

CLINIC



**Parkdale
Pet Care**

West Bend, WI



Appleton, WI



Murfreesboro, TN

ELANCO FUTURE
LEADER SALES
PARTNER



Andrew Peterson



Jodi Daniels

Elanco's Home Delivery Pilot

Objective	Grow Home Delivery within clinic	Simplify Rx-management at clinic through Home Delivery	Position Elanco as unique partner
Goals	Grow clients buying through clinic on Home Delivery	Lower workload/ stress reduction for clinic staff	Include Home Delivery as standard discussion point with clinic in sales calls
Core KPIs	Clinic revenue & Home Delivery growth	Qual-to-quant insights from clinic staff	Direct feedback + call reporting

Pilot Creative & Tactics

Staff Elements

When a client requests to fill a script at an outside pharmacy
 Always use your talking points to help you engage a phone call with a client who has requested to fill a script at an outside pharmacy.

- Acknowledge receipt of their prescription request.
- Inform them of our client's online store, which offers the same benefits as an outside pharmacy plus:
 - Our team can get the order directly.
 - Allow our team to stay connected to your pet's care and medications.
 - We manage prescription renewals, which saves time.
 - Clients can save money with great medication options.
- If unable to order, inform them of our online store shipping (\$5.99).
- Offer to call back once you've placed their order right on the phone and get their preferred option.
- If they say no, let them know they can call back any time if they change their mind. Tell them you will fill their order right under with the outside pharmacy.
- Thank them for their call and remind them of when their next appointment is.

When a client has been instructed to order a medication
 Always use your talking points to help you engage a phone call with a client who has requested to fill a script at an outside pharmacy.

- Acknowledge receipt of their prescription request.
- Inform them of our client's online store, which offers the same benefits as an outside pharmacy plus:
 - Our team can get the order directly.
 - Allow our team to stay connected to your pet's care and medications.
 - We manage prescription renewals, which saves time.
 - Clients can save money with great medication options.
- If unable to order, inform them of our online store shipping (\$5.99).
- Offer to call back once you've placed their order right on the phone and get their preferred option.
- If they say no, let them know they can call back any time if they change their mind. Tell them you will fill their order right under with the outside pharmacy.
- Thank them for their call and remind them of when their next appointment is.

Home Delivery Giveaway Task Tracker
 An opportunity to better serve our clients is whenever you complete one of the tasks in this accompanying doc. Each completed task earns you a reward worth a \$100.

Task Name	Assigned To	Start Date	End Date	Client Name	Product	Status



Objectives: Pilot Kickoff | Education | Drive Participation

Tactics Used: Lunch N Learn | Staff Selling Training | Swag & Incentives | Backroom Posters | Talking Point Desk Pad

Client Elements



Prescriptions from your trusted vet, right to your door.

With Parkdale Pet Care's online store, you can support your pet's wellness and simplify your routine with personalized prescriptions delivered right to your doorstep.



Work with the vet you know

Your vet will set up a personalized plan that's right for you.



Fast home delivery

Get your pet's prescriptions delivered right to your door.



The easy way to save

Save big with hundreds of available rebates and free shipping.



Get started today with Parkdale Pet Care!

Explore products, services, savings, and more to empower your pet's health.

[Shop Now](#)



Sign-Up Giveaway

1 ASK
Your vet staff for your Rx on home delivery

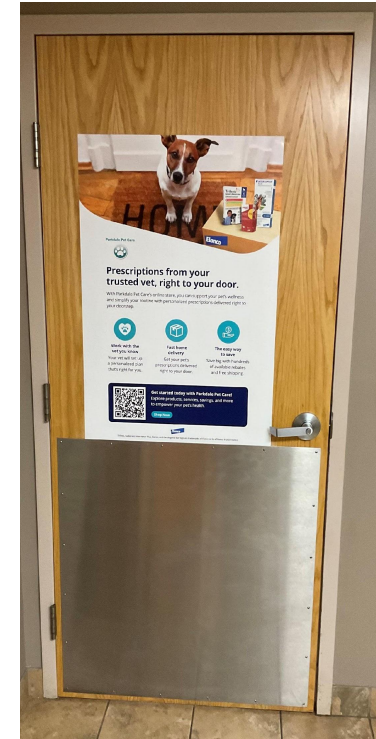
2 CONFIRM
Your script & online account (we'll email you a link)

3 RECEIVE
Your pet's medication at home!

Get started today with Family Pet Health!

[Shop Now](#)

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Objectives: Pilot Kickoff | Education | Drive Participation

Tactics Used: In Clinic Posters | Sign Up Incentive | Social | Scale Pad | Postcard Takeaway

Focus Medications for Home Delivery

The primary clinic goal remained sending home medications that are stocked in clinic on the day of a client's visit. However, for other medication categories Home Delivery is a great opportunity.



Medications Not Carried In-Clinic

Drive Home Delivery for clients with a prescription or product recommendation that the clinic does not carry in-house.



Repeat Prescriptions

Drive Home Delivery, specifically subscription, for clients with a recurring prescription that does not require an office visit to refill.



Food

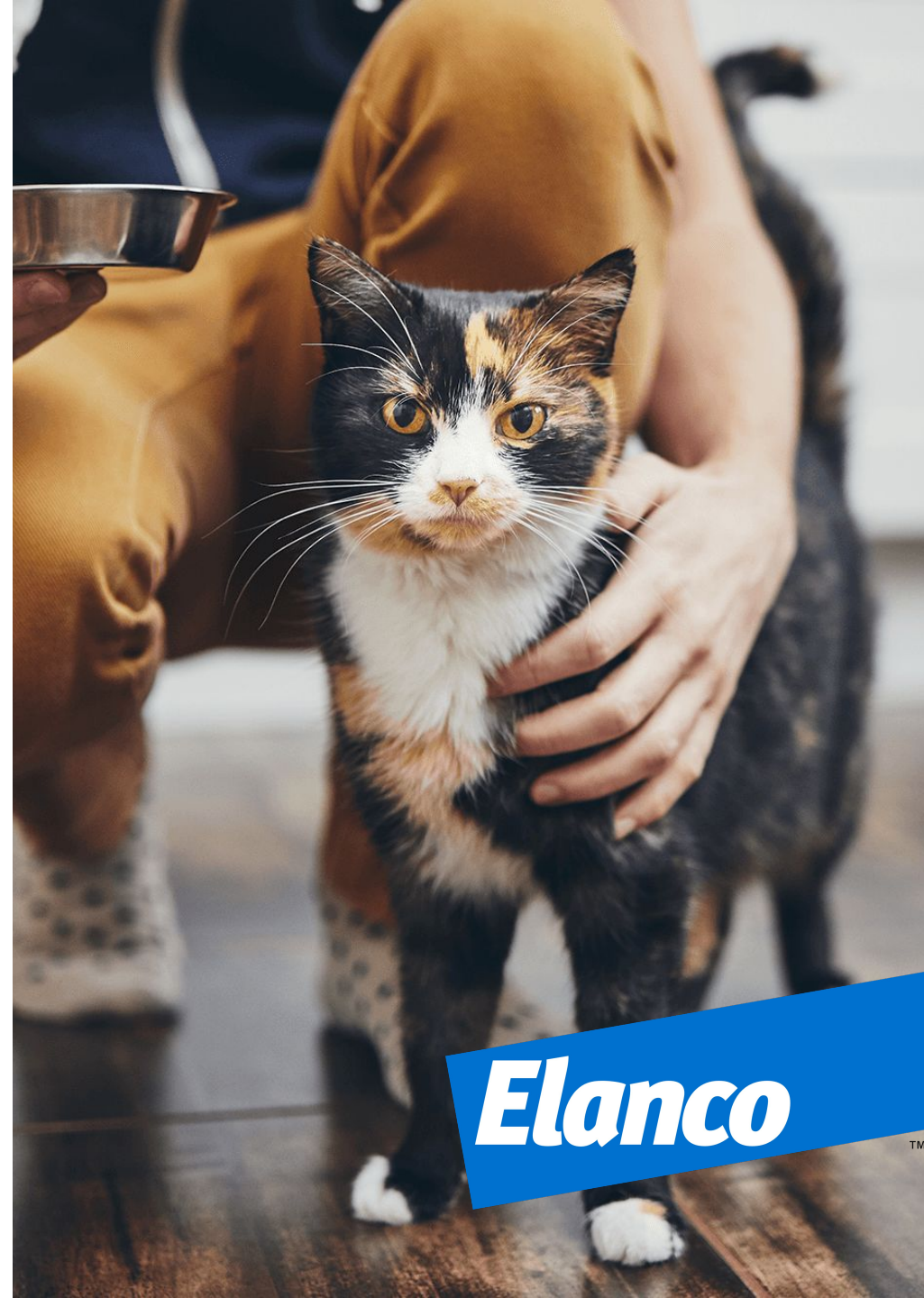
Prescription diets are ordered recurrently, are cumbersome and have more available quantities online.

Program Results Readout

Objectives

<i>Grow Home Delivery within clinic</i>	<i>Simplify Rx-management at clinic through Home Delivery</i>	<i>Position Elanco as unique partner</i>
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**Parkdale + Countryside results only – awaiting final data from Family Pet Health, to be included when available*



Clinic Results Show Clear Program Success

Parkdale – West Bend, WI

Parkdale saw tremendous growth in their Home Delivery buyers (+62%) and sales (+43%) vs YA – plus strong growth vs PP

Time Period	Pilot	Chg vs. YA	Chg vs. PP
	3/1 - 4/29	3/1 - 4/29	1/1 - 2/28
# of Patient Visits	2238	-2%	+13%
Clinic Rx Revenue	\$118,672	+6%	+46%
Total Home Delivery Buyers	253	+62%	+22%
Home Delivery Revenue	\$25,800	+43%	+34%
Total Clinic Revenue	\$144,472	12%	+44%

- 1 location with ~12 staff using the Covetrus platform
- Defensive approach

Countryside – Appleton, WI

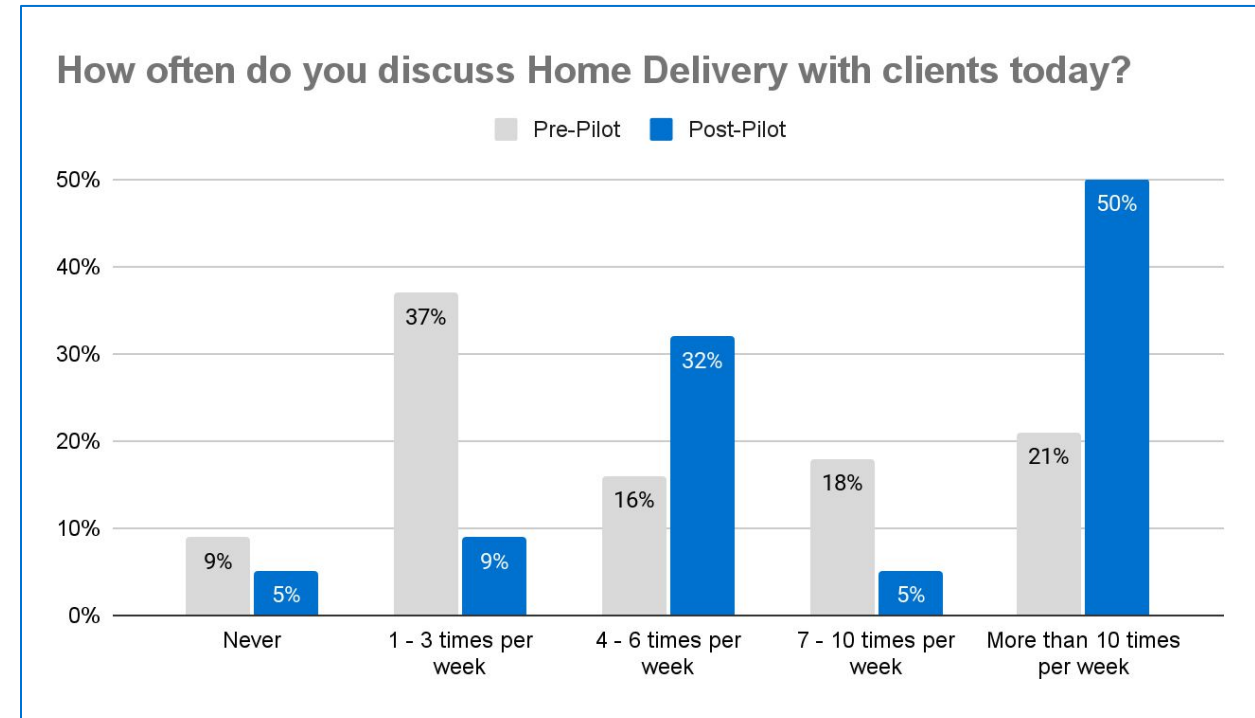
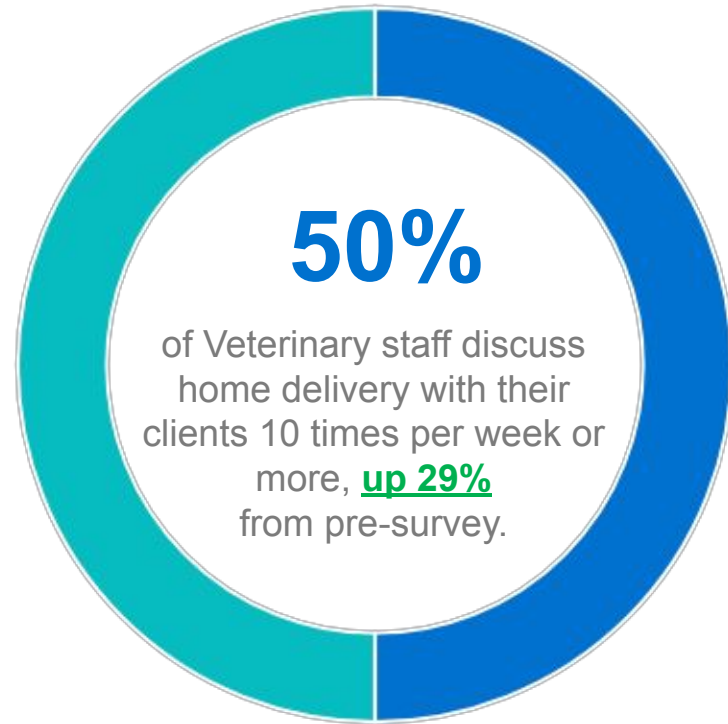
Countryside’s sales growth during the Pilot period outpaced buyer growth 5x. Order sizes: **significantly increased \$ value/client** (+24% vs PP compared to +5% buyer growth)

Time Period	Pilot	Chg vs. YA	Chg vs. PP
	3/1 - 4/29	3/1 - 4/29	1/1 - 2/28
# of Patient Visits	6854	20%	5%
Clinic Rx Revenue	\$271,248	-3%	12%
Total Home Delivery Buyers	1473	+220%	+5%
Home Delivery Revenue	\$246,563	+82%	+24%
Total Clinic Revenue	\$517,811	25%	+17%

- 2 locations with ~80 staff using the Covetrus platform
- Strong Home Delivery business, low staff engagement

Post-Pilot

Clinic staff are having more Home Delivery conversations with clients & indicate stronger confidence in ability to convert.



Home Delivery conversations drastically increased in frequency throughout the duration of the pilot, with the majority of respondents discussing Home Delivery 10 times or more per week post-survey.

*On a scale of 1 to 7, with 1 being very little opportunity and 7 being very large opportunity, how would you rate the opportunity Home Delivery presents for your clinic today?
How often do you discuss the option of purchasing prescriptions or OTC medications through Home Delivery with clients today?*

Participation in the Pilot Has Decreased Staff Stress and Increased Confidence in Home Delivery Platform Knowledge and Use

Stress Reduction

↑ **59%**

of respondents report feeling **less stress about Home Delivery after the pilot.**

More Prepared

↑ **82%** +45pts vs. pre-survey

of respondents feel **well-prepared to use the HD platform today.**

Greater Confidence

↑ **64%** +45pts vs. pre-survey

of respondents **feel confident they would have the knowledge to answer client questions about Home Delivery today.**

On a scale of 1 to 7, with 1 being not at all and 7 very much so, how would you rate the extent to which your clinic takes advantage of all of the available Home Delivery features today?

On a scale of 1 to 7, with 1 being overwhelmed and 7 well-prepared, how would you rate your feelings about using the Covetrus Home Delivery platform today?

On a scale of 1 to 7, with 1 being not at all confident and 7 being very confident, how confident are you that you would have the knowledge to answer any questions asked by clients about Home Delivery today?

Clinic Staff Reported the Pilot Aided in Better Helping Their Clients and Felt It Positively Impacted Their Clinic

55%

of respondents report feeling **very satisfied with their participation in the pilot (Top Box)**; no participants were dissatisfied.

“[The pilot] allowed for better client communication regarding pet medications and how the online store would help our clinic.”

“The excitement of learning how to help our clients [made for a great experience]!”

“I appreciated learning more at the lunch/learn event ,which gave us legs in the front office to help clients.”

Clinic Staff Sentiment:

86% of respondents estimate the pilot created **positive financial impact**.

86% of respondents estimate **more scripts were closed on Home Delivery**.

100% of respondents estimate **the same amount or more scripts were retained in-clinic when outside pharmacy requests were received**.

On a scale of 1 to 7, with 1 being not at all satisfied and 7 being very satisfied, how satisfied are you with your involvement in the pilot program?

You mentioned you were very satisfied with your participation in the pilot program. In your own words, why and what made for such a good experience?

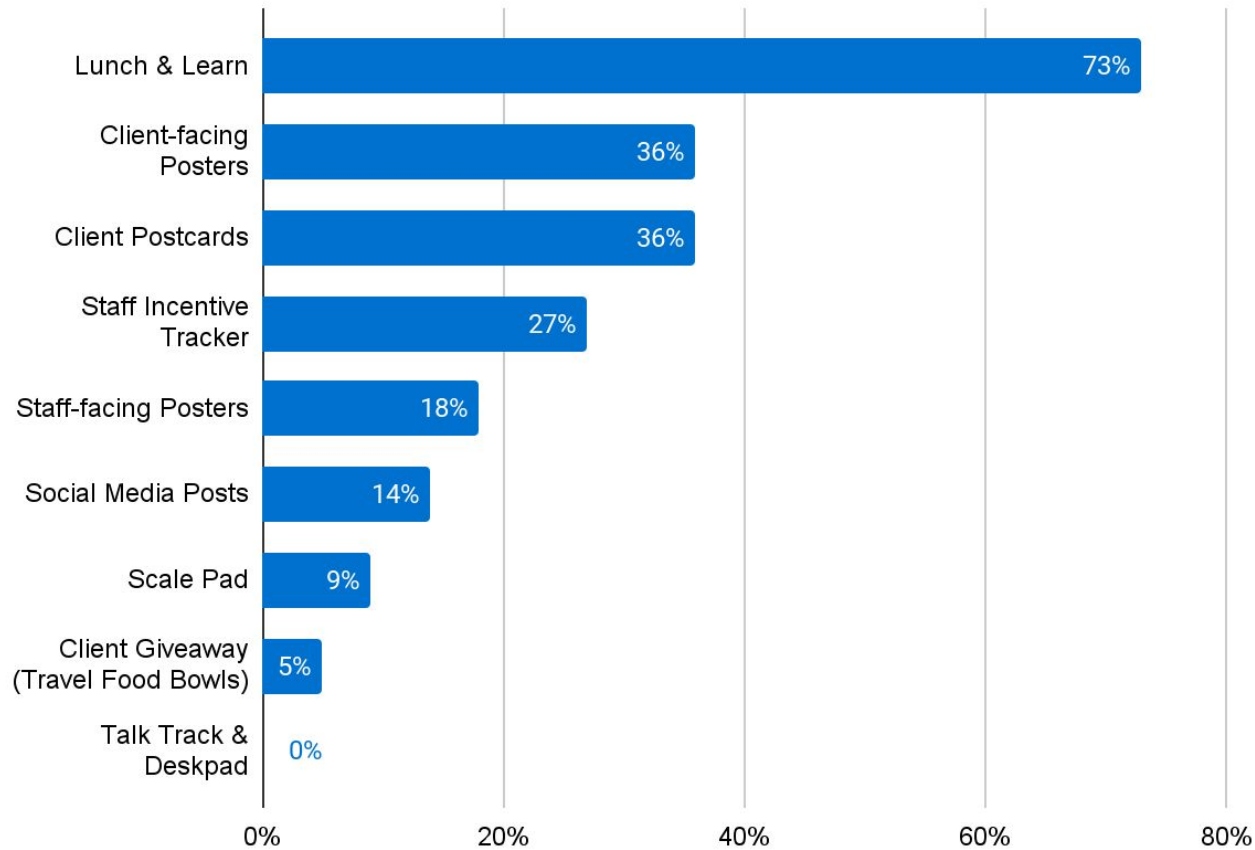
If you had to estimate, how would you describe the financial impact this pilot delivered to your clinic?

After participating in the pilot, how would you estimate the number of scripts closed within your Home Delivery platform has been impacted?

Throughout the duration of this pilot, how do you think your ability to retain clients who called with outside pharmacy requests (e.g., Chewy or 1800 pet meds) was impacted?

Clinics Found Informational Tactics Like Client Postcards & Posters Most Impactful

What was the most impactful part of the pilot program for you?



Parkdale Pet Care

Help your clients. Help Parkdale Pet Care.

Our partnership with Covetrus gives you the opportunity to help our clients and our Parkdale Pet Care team.

- Elevate client services**
Help clients set up convenient home delivery and get access to savings.
- Support our clinic**
This program lets us retain more revenue that we can invest in our clinic.
- Simplify prescription fulfillment**
With Covetrus, prescriptions will be to fulfill for clients' clinicians.

Get started today!
This helpful guide will give you more information about Covetrus, how it works, and how it can help your clients.

[Learn More](#)

Elanco covetrus

Lessons Learned

Driving Home Delivery at a Clinic-Level Works

Thoughtful storytelling & localized marketing positively impacts clinics

Winning Hearts & Minds of Clinic Staff is Critical

Driving consistency lowers overall staff stress, helps the clinics WIN

Success Comes From Breaking Down Barriers

Simple support tactics enable easier conversations

Continue to Focus On What Makes Clinics Special

Elevating clinic relationship, convenience drives home delivery with clients



Home Delivery Kit Expansion Plans

Coming Soon!

For More Information: Contact Wayne Yang

Email: wayne.yang@elancoah.com

Thank you!

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