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Life sciences firms explore AI to optimise revenue operations in 2025

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Life sciences executives focus on regulatory readiness and AI adoption



Model N, the leader in revenue optimisation and compliance for life sciences and high-tech companies, has published its seventh annual State of Revenue Report, highlighting how executives in these industries are transforming their revenue operations.

The report reveals that while 87% of industry leaders are shifting toward automated revenue management operations, nearly 60% still rely on multiple solutions. Additionally, 62% are using or planning to implement generative artificial intelligence (GenAI) for revenue optimization activities, including deal analytics, process automation, and forecasting.

This gap between automation goals and system integration presents both a challenge and an opportunity. The research found that companies with more than 10,000 employees are 51% more likely than smaller organizations to use a unified revenue management solution.

Pharmaceutical companies are modernising their revenue management approach to navigate a complex regulatory landscape. Pricing strategy is pharmaceutical leaders' highest priority for revenue management-related strategic investment over the next two years. Eighty-seven percent of leaders report that they have already adjusted their launch plans in response to the Inflation Reduction Act (IRA).

State-level regulations like price transparency mandates and affordability boards are also a significant focus, with 76% of leaders concerned about how the regulatory changes may impact revenue management. Automation and technology, including GenAI, are key enablers, with 62% of pharmaceutical companies using or planning to use GenAI to strengthen revenue operations.

The medtech sector is undergoing a similar transformation. Regulatory changes like healthcare price transparency (45%) and the European Union's implementation of the Medical Device Regulation (MDR) (40%) top the list of impacts on revenue programmes. Nearly two-thirds of medtech companies are already seeing shifts as AI and automation are integrated into healthcare operations, and leaders are beginning to incorporate these approaches into their own company's revenue optimization and compliance processes. Looking ahead, 38% of leaders are focusing on adapting to value-based care models, expecting further impacts on revenue optimization functions.