

LAUNCHING AT THE SPEED OF DIGITAL

It's no secret that speed matters in customer interface. **Marc Iskowitz** settles into the moderator's seat to find out how biopharma—an industry not known for moving with rapidity—is digitally shifting its commercial model into a higher gear

From clinical trials to customer planning, digital can speed each stage of the biopharma product launch. Yet most companies are still trying to assemble the foundation and underlying technology to take advantage. Revamping the commercial model represents a gradual and historical shift for this industry, which still remains largely reliant on the rep sales model. Nevertheless, after years of downsizing and growing restrictions on interaction, there have been new approaches in sales, marketing and reimbursement. Firms are finding alternative ways to engage. Here, seven marketers delve into the current state of product launch and its future, examining catalysts and obstacles to the integration of new promotional capabilities and exploring whether firms are finally heeding the call for digital product launch.

Marc Iskowitz (editor in chief, MM&M): Most of you are helping transform biopharma's commercial model in some way. Are we witnessing a true change at this point or is it still on the horizon?

Chris Mycek (chief customer officer, Cadient Group: a Cognizant Company): We are making progress, but pharma historically and currently is slow to change. We're really risk-averse. I've had the pleasure of working outside of pharma on the agency side with brands like Campbell's Soup, M&Ms, Hasbro and Samsung. And there are just things that [they're] doing outside our industry that we need to start applying, like marketing automation, testing and targeting, A/B and multivariate testing.



Marc Iskowitz
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Chris Mycek
Chief customer officer
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Mike Luby
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BioPharma Alliance



Lorenz Muller
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Lorenz Muller (executive director, thrombosis, Daiichi Sankyo): We're just at the beginning of sort of entering the digital transformation. I look at my peers, people I went to school with that are in other industries at Nancy's level or peers to me, and I'm still profoundly jealous of what they can do in their industries that we are either incapable of or regulated out of being able to do. And so as long as I still feel that jealousy, I think we still have a lot of catching up to do.

Trish Nettleship (global director, multichannel marketing, UCB): My experience is outside pharma as well. I came into UCB three years ago from AT&T, where I led digital and social. It's been interesting because I came with a similar mentality. Where's the marketing automation? No one knew what I was talking about. So definitely we've still got a ways to go, but I like to say there are pockets of goodness. We're doing some of this. We see folks trialing things and starting to learn. And there's definitely this sense of urgency that's come across the industry, that we have to change.

Jim DeLash (lead, multichannel marketing execution, GlaxoSmithKline): We're not angry enough. I don't think there's enough emotion. I think we show charts all the time—rep access to doctors is going down. Everybody goes, "Yeah, yeah, yeah," and then nothing changes. We haven't made that emotional connection within our company to say, "This is the way we have to go in the future." Everybody's afraid of change, it seems. The world's changing around us.

Mike Luby (founder, president & CEO, BioPharma Alliance): My view is that there's progress but it's still been relatively incremental. And I see one of the big problems—and I'm kind of painting with a

broad brush—but when I look around the industry, I think there's still a civil war between digital and marketing ... On the one side, if I'm just going to kind of play the stereotypes, it's like, "Well, those people don't get digital. The whole world's digital. How come nobody gets it?" And on the pharma side, a lot of companies have hit a lot of foul balls. They have little visibility into the actual implementation and metrics. So why would you not invest in something that's putting money in your bottom line? But every year at a lot of organizations, it's still like, "Are we doing this again?"



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Marc Iskowitz: How do we ensure that digital becomes a base function and not a periphery?

Nancy Phelan (head, Customer Engagement Center, worldwide customer operations, Bristol-Myers Squibb): A couple of things



Nancy Phelan, Head, Customer Engagement Center, worldwide customer operations, BMS



Mike Innaurato
Managing director,
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are really important. Again, taking that customer view, it can't just be a product view. In many cases the categories in which we work, the products are touching the same customer. So it's really important to say, "Are we thinking about this from a customer-experience perspective? How do we make sure that the messages, the cadence, the offers are all synced up?" The second piece is around tagging, so that you can actually make sure you get data back. Because it's really important to understand and do those tests and learn—the A/B—so that you can understand the actual impact. And that's the only way you're going to get better. Otherwise, you're going to be sitting there fighting over, "Is the subject line really good?" "Oh, I don't know." You're really actually going to have a data-driven discussion ... And then I think the last piece is around the training. And as part of training, it's that transparency. We as an organization need to work together differently in a more cooperative way to give customers what they need ... and provide transparency into good examples but also some bad examples because sometimes people learn more from failure.

Jim DeLash: We talk about that a lot, but we don't do it. It's like, "We've got to fail fast, we've got to learn to fail." And everybody goes, "Yeah, yeah," and as soon as you have something that's not looking good, go, "You can't show that to anybody—are you crazy?! Think of the harm it could do!" And it's cherry-picking data. There's this reality of not wanting to accept failure.

Marc Iskowitz: The way pharma marketers are developed—firms take their best reps, make them the district manager, bring them in-house, then make them marketers. But they may lack the skill set. Nancy: Is BMS, or the industry, bringing outside talent in? You mentioned in your keynote hiring people from Google and Apple.

Nancy Phelan: I'm going to answer not just from my BMS experience but pulling from industry. I think that there's been an effort in the last, say, ten-ish years to recruit from outside industry into industry, and I'd say that it's had varying levels of success. It's very hard when you take someone outside of pharma and put them in pharma. The first thing they say is, "Oh my God, this is so slow." So I think that you've got to put a lot more support around people to help them get on-boarded. I think pharma's still a great place to work if you have ambition and have the skill set. I have seen sales reps bridge successfully into marketing. They're not as regularly successful as they used to be. You've got to come in with a certain skill set.

Trish Nettleship: I think a lot of folks are still trying to figure out what that looks like and how to go about it, retaining talent, getting the right talent ... So we do have to highly up-skill those folks and provide them the tools necessary to be successful.

Marc Iskowitz: Have a lot of companies taken a systematic approach to revamping how they go to market? When I "systematic," I mean reorganizing the strategy, the structure of the process, to improve customer engagement.

Mike Luby: The joke is that what the pharma industry's gotten really good at over the last 10 years isn't launches but relaunches. We spent a gazillion dollars and we wrote it off, sold it, or gave it back to the partner. And that continues to happen. We've analyzed over 450 drug launches since '02—just uptake curves and looking at things—and there's been a structural shift. Launches today are going to be more than 50 percent smaller than in that same launch under the same circumstances prior to '06—outliers aside. So the game has fundamentally changed, yet when you look at the investment decisions it still seems that the playbook is outdated ... It's sort of formulaic as opposed to systematic. What's the best investment and sequencing of investment that plays into today's payer environment, and how do we then sequence our investments so we're not upside down and out of the business in a few years?

Marc Iskowitz: Right now many companies have their centers of excellence [CoE], built to engage in non-personal promotion. Is that a viable model?

Chris Mycek: I think it's a necessary evil in Big Pharma because knowledge has gotten more niche and there's more complexity in each of those disciplines. But it creates that silo that as an agency, who do we take direction from in guiding the strategy—is it the brand team, is it the multichannel team, is it the analytics team? I think Big Pharma can learn from biotech because I'm working now with a couple of pre-revenue biotechs and they're recruiting people out of Big Pharma that are multidisciplinary, that have rotated through those disciplines ... Instead of doing the hub and spoke, [they] put them right on the brand teams.

Trish Nettleship: Think of it as an evolution. In the beginning ... when we are more immature, we need more expertise in a central



location. And as we become more mature across the digital maturity curve, we probably won't need that. I mean, the marketers of the future will have that as part of their knowledge base. It won't be something we'll have to teach them. They will come to the table with that expertise.

Mike Luby: Having seen different functions—CoE, or embedded in the brand team—I don't think the structure makes a big difference. I think it's more to the point about, is it part of operations? If you cross that mind-set, whether you sit on my team or you're the center of excellence ... then it's now something we do as opposed to something we tried. And it's sort of the difference of dabbling versus, it's just part of business. If you get across that, then I think the structure's easy. I mean, it can work either way.

Marc Iskowitz: Who's driving those discussions? Is it those responsible for executing the plans for NPP, or traditional brand marketers? And if the traditional marketers lack the sophistication to run those NPP efforts, how are they being trained?

Nancy Phelan: To be a brand director and have a great campaign in search, that has a compelling ROI, then you have to go explain and sell that to someone who has no idea what you're talking about—that's when those CoEs can be really useful. The brand person will bring them in and say, "Hey, listen, I need you to find a way to help my leadership understand what this is. Partner with me." It takes the analytics team, it takes the multichannel team, it takes the brand team, and one by one you clear those challenges. And if you do it right you educate and you turn those people into advocates, and you turn them into partners, because you've shared that, you've given them, like, the secret sauce. So now they sound really cool, they know what they're doing, and they have more confidence. I think where things are a little bit slower is when it's left either to the CoE or left solely to the brand. And then you get kind of more of this all-or-nothing.

Mike Luby: A major complicating factor right here is that the folks that didn't grow up with it not only don't understand it but they've been burnt by it. And so now it's like, OK, now you're coming to the altar with the next iteration, and I think that's why they're asking, "Are we doing this again?" Because in the back of their mind they're like, "Here we go again."

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Mike Innaurato (managing director, Brand Equity Consulting): But if I could add, I think a part of that is that a brand business unit leader has to know when they don't know, right? And that's when you turn to your digital partner and you say, "Listen, I need you to help me with the organization, to understand what this means."

Marc Iskowitz: How are we going to change the mind-set that, as we said earlier, it's OK to fail, and to get comfortable working across the matrix if there are questions about digital?

Trish Nettleship: By ring-fencing dollars then around pilots and making sure that it sits outside the budget is going to be extremely important for showcasing what good looks like and piloting those initiatives. Because it's going to be extremely difficult to get those brand managers to change and shift their dollars from one area to another if it's been working for them in the past. We also have to get significantly better about how we train our people. We spent some time with Nestlé, whose digital acceleration program brings in 18 people for eight months, across the globe, to do digital. What can we learn from companies like that? How do we get people to really get the value of digital? So we are creating these pilots, but instead of doing it in the CoE, the CoE might lead it, but we're bringing our brand managers and their teams along with us to participate.

Chris Mycek: What I've seen a couple of big pharmas do successfully is have an innovation tax on the brand budgets. So instead of them having to shift [budget] and not do something [else] to do digital, taxing five percent and putting it into a pool, and running a Shark Tank type of competition to fund innovation ideas.

Nancy Phelan: Things like the "Shark Tank" forums, we've moved down the line here. It's just amazing. You'll get all kinds of people up there with ideas, and they never had a voice before. And it really

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does change the way that your teams work, and it gives people permission to think a little bit differently and to try something new.

Marc Iskowitz: The rep’s influence has suffered over the years. How comfortable would you feel in recommending that a client launch a product without them?

Mike Innaurato: Digital right now is gaining a lot of headway and will continue to gain headway. Less will be spent on reps. I don’t think reps will go away, though. You could see more specialty-type account executives for IDNs—say in the oncology arena calling on the cancer centers who make decisions about what products get used. IDNs, ACOs, organized health systems need a sales force that’s able to penetrate that market.

Mike Luby: Data presented at a forum recently suggested that things sent by the rep generate much higher open rates than things sent by the home office. Thinking through and deploying different kinds of models that address different needs of customers, and then empowering the folks we send into these offices through information and tools to help them provide a more rounded offering are two things I’d point to as big steps forward.

Marc Iskowitz: The reimbursement dynamic has changed much in the post-Sovaldi environment. Is that aspect of industry’s commercial transformation evolving fast enough to meet customer needs?

Lorenz Muller: It’s a very parallel track to what we were talking about as a digital transformation. I think we’re a very sophisticated industry. We have tons of data, we’re very good at analyzing it. But a lot of the folks that are making decisions in Big Pharma companies tend to be a little old-school and were brought up in a time when the pharmacoeconomic value of a product was very small relative to the clinical profile as the basis of differentiation. A reeduca-

tion—and Sovaldi was one example of the speed with which that’s happening—of leadership in pharma companies to think about developing products that aren’t just clinically valuable but also provide economic value that services the whole healthcare system, I think, is an essential part of that transformation.

Nancy Phelan: [The ability to make those economic arguments] varies by company. All of us around the table work at companies where there’s a strong commitment to thinking differently about the value proposition. Many times that data sits in the access organization and there are these invisible walls across our different companies. We could do a better job breaking down those silos and saying, “Okay, take a customer view. How do we make the information that customers want easy for them to get to?”

Mike Luby: The problem is that you also have a number of companies, big and small, that have used the industry’s sandbox as a litter box by making these really gross decisions about pricing. Turing is the latest example to get the headlines, but there are a lot of these. You don’t have to look too hard to find prices that any of us growing up in the industry would blush and say, “How can you charge this per day for that drug?” where there’s no value proposition. The combination of the “hep.-C effect” and what I call the “bad-behavior effect” is exacerbating this in a way that I think the consequences in the next year or so are going to be really, really potentially very dire in terms of the payers striking back.

Nancy Phelan: In pharma we have not been particularly resource-constrained. And so the easy thing, if you’ve got budget cuts, has been to raise the price. One thing that really struck me was an interview with [former P&G CEO] A. J. Lafley where they were going to go to market with a beauty cream and they couldn’t manufacture it at a price that the market would support, so they made the decision not to go to market until they found a way to bring their cost structure in line with what the customer would pay. I often wonder what would happen if we took that approach? If we worked in a more resource-constrained environment, it would force us to think differently. I have a lot of confidence that we would step up to the occasion as an industry. And I’m not suggesting that’s a happy ending for every company, but I do think that that is something that is in our future. We could take a page from what they do in the OTC business. ■