

Customer Experience and Beyond: Why Digital Changes Everything

Key steps and potential hurdles on the path to digital transformation



Health Care
Doctor
Hospital
Pharmacist
Nurse
Dentist
First Aid
Surgeon
Emergency

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He helps business leaders formulate and implement pragmatic digital road maps, ensuring that they don't overlook the necessary change management elements of digitally transforming their marketing organisation. In his current role as Managing Partner, Tim spends most of his time leading DT's Research and Consulting offerings helping global pharmaceutical companies to improve their digital capability. His professional digital experiences include: Eli Lilly, GlaxoSmithKline, Sapient Nitro, Forrester Research.

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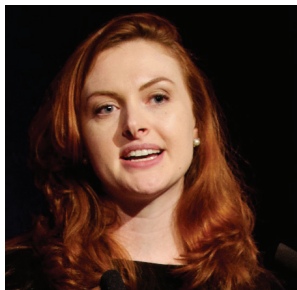
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Foreword

Setting out on the DX journey



Jessica Federer

From smartphones and smart cities to education and the way governments serve their citizens, digital technology is fundamentally altering our world.

For health, the advent of digital implies profound change across the landscape: technology will impact medical devices, care systems and the way we deliver medicines; big data will transform our R&D; and the digital imperative will disrupt the commercial landscape, meaning that pharma companies must evolve rapidly to thrive with new business models.

Our understanding of this commercial landscape is transformed as the digital revolution causes us to refocus on customer experience (CX) as the primary driver of our commercial models: a move away from the old inside-out “push” mentality of the past towards an outside-in “pull” model better suited to today.

The customer experience revolution has been pioneered in the consumer world, but also in heavily regulated industries like retail banking, and now it is pharma’s turn.

We are well aware that this transformation requires profound changes in our thinking and execution that will impact every corner of our organisation: our strategy, our people and skills, the products and solutions we provide, and the organisations we partner with. Accordingly, at Bayer, we have already set out on the journey, recognising that our world is in beta, and no one has all of the answers yet, so the destination may change as we move forward. But we must move forward.

Some pharma companies have already made good progress, while others have still to embark. This path is, of course, not simple, but across our industry, we must advance on this journey together.

This whitepaper from [eyeforpharma](https://www.eyeforpharma.com) is published at a time when we need to explore how our industry can best serve our customers and patients. It is not a road map, but it does bring together the thoughts of digital experts from across the pharma community – executives and consultants – as well as partners from outside the industry in a way that challenges us to do more, and to do it better and faster.

Read it. Share it with your colleagues. And then do something.

Together, our industry turns science into meaningful solutions for families around the world. This is not easy. If we can take a molecule through years of development to bring it to someone’s medicine cabinet, then we can embrace the immense opportunity that DX offers to serve patients and customers better. Because, at the end of the day, that is the only thing that actually matters.

Jessica Federer, Head Digital Development, Bayer



Brad Davidson

Executive Summary

Digital is all-pervasive in today's world – that much is a given – and yet early attempts at harnessing the promise of digital technology have fallen short. In the words of one contributor, Aptus Health Strategic Planner, Brad Davidson, “There’s no such thing as a modern relationship that doesn’t have a digital component.” Nevertheless, his view is that pharma currently sits 15-20 years behind the curve.

Harsh? Maybe, but Davidson suggests our industry has “failed into digital”, meaning that digital has traditionally been seen as the poor cousin to detailing, while activities such as conferences have simply morphed into digital conferences.

In other industries, multichannel marketing has evolved into “omnichannel” and the focus is now on customer experience (CX). At the same time, the rapid progress of digital technology has driven innovation and disrupted entire industries: now it’s the turn of pharma and we are in the early stages of digital transformation (DX).

Through expert interviews, desk research and case studies, this paper explores some of the benefits of digital transformation along with the hurdles standing in the path of the average pharma organisation. Today, digital innovation is transforming three aspects of the pharma landscape simultaneously:

1. Medical technology innovation, e.g., sensors, personalised medicine, delivery mechanisms
2. Customer experience, via the evolution of customer and patient engagement strategies involving multiple channels
3. Development of new platforms facilitating outcomes-based care to which pharma go-to-market models need to adapt

It is also clear that further disruption is on the horizon.

In response, pharma organisations must:

- Develop strategies that embrace this digital revolution – beyond the mere development of digital add-ons to their current strategies
- Recognise that technology in itself is not the strategy – rather, it is a facilitator, and its implementation is dependent on human factors
- Understand that the scope of the changes required drives the need for significant organisational transformation, with all that this implies internally
- Focus on talent and rapidly build digital skills within the organisation such that they become the norm
- Learn how to scale successes
- Acknowledge that this process is a three-to-five-year journey – maybe even seven years.
- Accept that the destination is not necessarily fixed, as the landscape will evolve significantly during the process
- Place emphasis on the customer (providers and payers) and customer’s customer (patient) with a view to improving their customer experience at all stages of the value chain and the patient journey
- Incorporate cross-functional working and elimination of silos as key drivers
- Involve IT and regulatory/compliance colleagues from the start
- Learn from other industries – especially other heavily regulated sectors, such as financial services.
- Collaborate with external partners to feed into this process: regulatory authorities, digital agencies, patient advocates and hi-tech disruptors
- Ensure digital initiatives are appropriate for the healthcare sector in style and content and refrain from “re-inventing the wheel” when prior solutions already exist.

“There’s no such thing as a modern relationship that doesn’t have a digital component.”

Brad Davidson, Strategic Planner, Aptus Health

“Digitalisation is the next platform to transform healthcare.”

Marc Princen, President EU & Canada, Takeda

Introduction

“There’s no such thing as a modern relationship that doesn’t have a digital component.” That’s the view of Brad Davidson, a strategic planner at Aptus Health. And yet pharma currently sits 15-20 years behind the curve. He suggests that the industry has “failed into digital” by which he means that digital has traditionally been seen as the poor cousin to detailing, while activities such as conferences have simply morphed into digital conferences. “Digital was a ‘booby prize’ essentially.”

Today, however, all that is changing. Digital is reshaping our world at an ever-accelerating pace – that much is obvious. Marc Princen, President Europe and Canada at Takeda, sees technology as the key driver of a transformational change that many would argue is long overdue in the pharma sector. Writing a personal blog, he states: “Digitalisation is the next platform to transform healthcare.”¹

Significantly, 2016 marks the start of a wider digital transformation (DX) among many enterprises, albeit that the leaders are already well ahead of the game. When technology consultants IDC presented their top ten predictions for 2016², chief analyst Frank Gens advised enterprises to transform or die, noting that the overarching theme for 2016 is “digital transformation scales up”.

Scale is the “critical ingredient in the unfolding battle for digital success,” Gens told his audience but noted that scale is also a double-edged sword: for some enterprises, “scale wins” while for others “scale kills”. DX will drive “everything that matters in IT” over the coming years. In its widest sense, the digital economy encompasses technologies such as mobile, cloud and big data analytics; it extends into IoT (think sensors and smart technology built into homes and workplaces), AI and robotics. These innovations have the potential to “create competitive advantage through new offerings, new business models, and new customer, supplier, and distributor relationships,” Gens affirmed.

Over the coming years, profound changes will sweep through the commercial world as DX moves beyond the IT department and the province of digital specialists to become the focus of attention for the wider business. According to *Forbes*, by 2017, over 50% of IT spending will be for new technologies (mobile, cloud, big data) and by, 2018, line of business (LOB) executives will control more than 45% of global IT spending worldwide, and over 60% in the United States. By the beginning of the next decade almost 50% of IT budgets will be tied into DX initiatives.

So what does this mean for pharma and its ecosystem, which has often been seen as a laggard in digital terms? Today, digital innovation is playing a significant role in three simultaneous areas of change in and around pharma:

1. Medical technology innovation – sensors, personalised medicine, delivery mechanisms
2. Evolution of customer and patient engagement strategies involving multiple channels – customer experience (CX)
3. Development of new platforms facilitating outcomes-based care to which pharma go-to-market models need to adapt

Just as importantly, data and the way that we mine and use it will deliver insights that inform research and enhance customer experience.

¹ Merriam Webster defines “booby prize” as a “prize that is given as a joke to the person who finishes last in a competition”.

One disruptive technology on the horizon is “blockchain”, which is set to revolutionise healthcare and the method by which every patient and stakeholder interacts. Integrating blockchain technology into the healthcare sector makes it possible to build a trusted global repository of data in the industry. Every company has access to the same data, which is shared transparently so that there is only one log of events that everyone agrees is the truth.³

Today, digital is disrupting all areas of the organisation and the value chain, from R&D and the supply chain to the go-to-market model.

Of course, digital elements have been around for many years, especially in relation to multichannel marketing. MCM/omnichannel has transformed other sectors – delivering a focus on customer experience – including highly regulated ones such as financial services. Tim White, Head of Customer Experience at Teva explains: “Where digital is really being used today to address customer experience (CX) in other sectors is to provide convenience.”⁴ He sees the emphasis on providing swift service and solutions for customers using the intrinsic convenience of digital channels, thereby improving the whole customer experience for banking customers, for example.



There have been successes in pharma, but the consensus remains that the sector has not wholeheartedly embraced multichannel and customer experience thinking. To many in pharma, digital has represented an opportunity to continue with the old push marketing mentality. “But really, we can turn the channel around and say, ‘How can we develop and design these channels that are themselves providing service and convenience to our customers?’”

The exciting initiatives we embarked on several years ago have in some cases stalled and failed to live up to expectations – we’re going to need to play catch-up as the world transforms around the industry. There are, of course,

barriers – in terms of the organisation, our know-how and the regulatory environment – that we need to break through.

In this whitepaper, we explore the main benefits of an effective digital strategy in terms of customer engagement and look at some key steps and potential hurdles in the path towards digital transformation.

Longer-term benefits of digital include:

Customer insights through improved data collection – Feedback from customers not only on engagement processes but wider areas of concern to provide insights into customer preferences and intelligence on how to improve offerings and solutions.

Opportunities for topline and bottom-line improvements – Multiple touch-points drive customer engagement and buying potential. Digital techniques can improve segmentation and personalisation, while also increasing marketing efficiency and productivity, and driving cost reduction.

Improved customer perception – The added convenience of multichannel and the provision of tailored, relevant content for customers when they want it drives net promoter scores and other key marketing metrics.

Digital strategy in the wider economic landscape

So why hasn't pharma successfully embraced the digital transformation and what would be the key benefits? Pharma traditionally takes a long-term and measured view and has been reluctant to abandon approaches and techniques that have served it well in the past. There is a lot to be said for the "if it ain't broke, don't fix it approach" but the economic and technological landscape is now changing dramatically. Resistance to change, compliance issues and a "this is how we've always done it" attitude also feed into the equation.

Jess Federer, a senior executive who is leading digital development at Bayer, is sympathetic. "We see the promise and the opportunity that multichannel marketing can bring and how we can better connect with our customer. However, this is new territory for the pharmaceutical industry. For so many years, we could only speak to physicians and pharmacists through specified channels – and we've been doing that for a hundred years or so. And now, there's this new state of play and, frankly, in a heavily regulated industry the primary focus is on safety, efficacy and on security. We're much more cautious in taking some of these steps that are more creative and will connect us to our customers. And we should be; we're dealing with people's health and wellbeing."

Clearly, there are key lessons to be learnt from other sectors and these can benefit pharma – that's the view of Panos Papakonstantinou, Digital Commercial Head for Europe at Novartis,



Panos Papakonstantinou

Pharma digital maturity snapshot

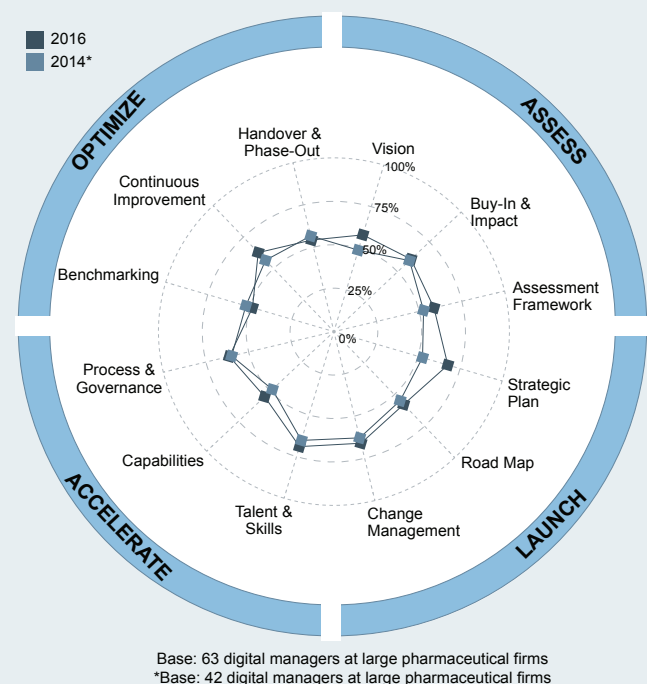
Pharma is lagging other industries for two reasons when it comes to digital maturity (see Exhibit 1), according to Tim van Tongeren of digital strategists DT Associates. One reason is that the current business model "still sort of works" while in other industries including retail, travel and banking, it is continuously challenged. Secondly, other industries are often less complex, with one customer well aligned to the product whatever the location – for instance, selling access to a mobile network is pretty much the same whether you are in Dubai or Alaska. Thus, very simplistically, you only need to figure out a winning business model and translate that across the globe.

In pharma, companies such as Novartis and GSK have multiple therapy areas and sometimes they are even split up in business units. "There is no such thing as a silver bullet for marketing excellence or digital excellence even though there are central teams that are really trying hard to create those frameworks." Essentially, the customers are becoming more and more different – not just physicians and patients – but payers are also becoming more important in specific countries.

"Pharma has to deal with so many different customer scenarios that it comes down very much to an individual approach often in respect of teams. The digital excellence process has to cope with that sort of customization process, which means that, if you do not mandate a particular use of a digital tool or technology, you are going to design a capability like email or CRM by committee, or you end up having to maintain different technologies across

the firm. Effectively, that is very hard and expensive to manage by digital teams." We've seen that companies that are more advanced in digital transformation are able to mandate technology, and reap the cost efficiencies, because access and application of the technology is easy and relevant for marketing teams.

Exhibit 1: Digital excellence maturity – the 12 drivers behind organisational readiness



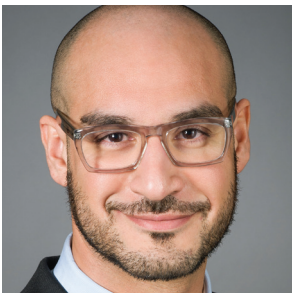
who has also held commercial roles in telecoms and banking.

“I would have to say that it’s really interesting how other industries have re-imagined the way that they connect with their customers and are really pushed by the urge to satisfy their customers’ needs. They do have to persuade that what they’re doing is useful, and they do have to sell their products.”

Such businesses exist in a highly competitive landscape and this has encouraged them to rethink new ways of going to market. Technology was one of the main vehicles for achieving this, according to Papakonstantinou. “Pharma needs a totally different approach in the way that we have discussions with patients.”

He draws attention to how companies from other industries have chosen to focus on the customer’s “lifetime journey”, and on the multiple touch-points where they can engage and start a meaningful discussion. “I think that most of the transactions – more than 70% – are done via digital means either on the phone, or on a smartphone or on the web and so on; and less and less, we are seeing just face-to-face interactions with customers.”

“We should focus on this approach a bit more – physicians don’t just want to see a medical rep; they want to have a much more meaningful discussion with the company. They do want to get information when they feel they have the time to do it. We need to change our approach to be able to accommodate that.”



Hicham Naim

Hicham Naim, Strategy & Customer Centricity Director at Takeda’s Europe and Canada business units, concurs. As a newcomer to Takeda, he discusses his earlier digital experience within the pharma industry: “The way some Pharma companies are engaging customers still tends to be the ‘old way’ – except this is amplified by digital.

“The industry is ‘flooding’ customers with an increasing number of ‘digital’ tactics, potentially creating more ‘noise’. Some of the customer experiences that Pharma companies deliver are perceived negatively and lag behind the experience that other industries create for their customers.

“The industry commercial model relies on ‘brand managers’ instead of ‘brand experience managers’. This involves adopting an inside-out perspective, creating a brand plan and then asking the multichannel/digital team: ‘OK, what can you do with that? Can you translate it into a multichannel strategy;’” Naim explains. In contrast, he suggests a different approach: adopt an outside-in view, define promises to customers, understand what a good customer experience should look like, and finally explore the best way to harness digital to execute and differentiate. He is a firm advocate of moving away from traditional marketing and brand management approaches towards brand and customer experience.

Thus, one primary benefit of the new digital approach is the opportunity for businesses to re-engage with customers and develop sources of differentiation in an increasingly commoditised world. How do we do this? A much clearer picture of the patient journey – the individual patient’s story played out with that patient centrestage – enhances our understanding of what is happening and why. This enables us to carry out far more effective market segmentation than has traditionally been possible and then to focus on generating insights that deliver solutions and value to customers and to patients as consumers in terms of outcomes that are meaningful to them.

In support of this ideal, digital offers pay-offs in terms of better R&D, improved data collection and the potential for increased revenue, as well as enhanced productivity, cost reductions and

“I think that most of the transactions – more than 70% – are done via digital means.”

Panos Papakonstantinou,
Head Digital Commercial, Europe,
Novartis

“ We all know we need to get into this space and become better and have more expertise. We do see the dramatic potential to come closer to understanding our customers and delivering these relations and connections but we want to be very cautious and thoughtful and deliberate in how we become more active in this space. ”

Jessica Federer, Leading Digital Development, Bayer

increased efficiency – all of which can feed into pricing; overall, if we get it right, we should experience improved customer perception.

So where are we now? “We all know we need to get into this space and become better and have more expertise. We do see the dramatic potential to come closer to understanding our customers and delivering these relations and connections but we want to be very cautious and thoughtful and deliberate in how we become more active in this space”, asserts Federer.

She also points out that many pharma organisations may already have considerable expertise in the digital field residing in associate divisions. At Bayer, she highlights the achievements of the crop science, animal health and consumer health teams.

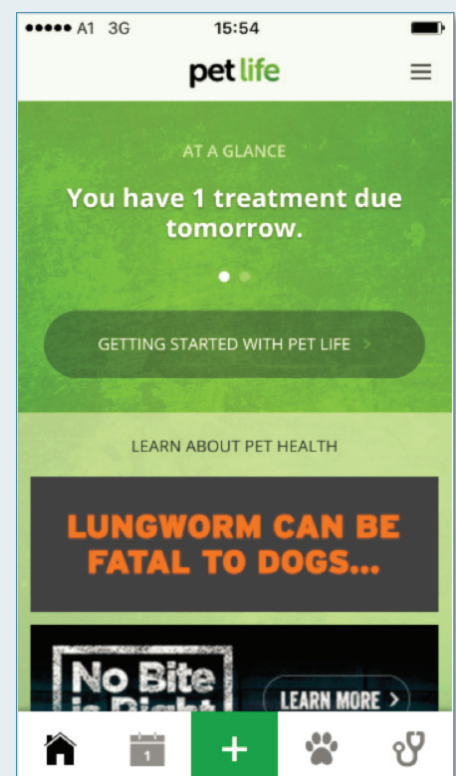
With this in mind, what are the principal external and internal barriers to pharma’s digital transformation?

Pet Life animal health app

Bayer Vet Centre has developed “Pet Life”, a free mobile and tablet (iOS and Android) app aimed at pet owners. It is designed to help owners protect their pet against fleas, ticks and worms all year round, and includes a useful treatment reminder about when they need to give parasite protection or antibiotic treatments.

Owners also have finger-tip access to helpful parasite protection information along the way. The “vet finder” tool helps owners connect with their local veterinary practice and allows them to store future vet appointments. The app is supported both by direct-to-consumer (DTC) and direct-to-vet marketing.

www.youtube.com/watch?v=ppAiONI-IVE



“The tech is the easy bit; the hard bit is the culture change.”

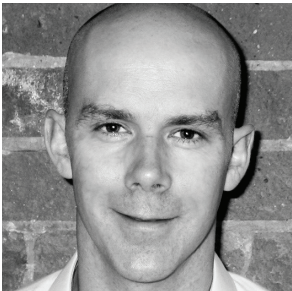
Matt Hancock, Minister for the Cabinet Office and Paymaster General, UK Government

Barriers to a digital transformation

Todd Park is a former United States Chief Technology Officer and instigator of the Presidential Innovation Fellows program that pairs digital experts with US government agencies with a view to dramatically improving their efficiency and service delivery. He is clear not only how transformational technology can be but also that there are definite issues of perception that need to be overcome. Speaking at a recent event for digital innovators and entrepreneurs, he outlined the journey that those seeking to transform government service delivery through DX had embarked upon.

He recounted how his mission to build “a more awesome government for the people by the people” ran into early headwinds centred around public servants’ perception of what was possible and what was not. The program had to change a general perception that “agile is illegal; cloud is illegal; talking to users is illegal”.

In this context, he told the audience: “You can’t order the government to be more awesome – we have to disrupt it.” Persistence has paid off, however, and the program was able to realise hugely impressive efficiency savings of an order of magnitude of 1:2, and outcomes improvements of 1:5 in terms of the way services were delivered to citizens. At the same event, Matt Hancock, the UK’s Minister for the Cabinet Office and Paymaster General underlined the importance of managing the digital transformation effectively. “The tech is the easy bit; the hard bit is the culture change.”



Rob Wyer

Similar dynamics exist in the healthcare sector and it is relevant to take on board the lessons learnt by GovTech. In pharma, there are a number of key barriers to digital transformation that span internal organisational, structural and cultural considerations, shortage of relevant talent, and a lack of vision and commitment to changing established go-to-market strategies, especially at the middle management levels of an organisation; externally, the sheer pace of change can be daunting, while the compliance and regulatory environment also struggles to keep pace.

Of course, involving the regulatory team early can make a big difference. Digital specialist and behavioural expert Rob Wyer from Swiich recalls a pitch to AstraZeneca from his time at Saatchi & Saatchi. The company involved its regulatory team from the very start, even in the pitch process. “It was constructive and a really refreshing experience.”

Jess Federer has deep understanding of Bayer’s digital transformation journey, which “touches every aspect of the business”. She describes how a consumer health digital marketing team “ran into hurdle after hurdle because the existing processes don’t allow for some of these new methods.” Her view is that it’s “really easy to blame the process but the challenge now is how do we make adaptations to our processes which enable and facilitate newer models.” This is particularly important in the context of the IT, legal and compliance teams.

“One of the challenges I’ve seen with pharma is that it’s really siloed still,” adds Wyer from Swiich. “You need to think behaviour first, tactics and technology second.”

Regulatory approval

Meanwhile, regulatory approval for pharma remains a challenge if not an excuse for inaction in some geographies; because content is tailored to each individual channel and, of course, across different geographies, this can add considerably to the regulatory burden. “In countries like France, there are only certain times when you can submit things for approval and then it’s approved or it’s not approved,” Bayer’s Jess Federer explains. “The restrictions for the pharma space mean that it’s still really hard.”

“On the one hand, you want to have a dialogue and engage with your customers; on the other hand, you are very kind to them but a dialogue could be interpreted as marketing. So you have to be very deliberate about how you are engaging but it really depends from country to country.”

Jessica Federer, Leading Digital Development, Bayer

“On the one hand, you want to have a dialogue and engage with your customers; on the other hand, you are very kind to them but a dialogue could be interpreted as marketing. So you have to be very deliberate about how you are engaging but it really depends from country to country.”

Of course, such approval regulations were designed for a different era and much more static content. In today’s world of social media engagement across channels – which are far more interactive – the old-school approval process doesn’t allow for this: if you try to work the new channels like YouTube, Twitter and Facebook using the old approval process, what you end up doing, according to Federer, is trying to account for every potential hypothetical situation or question or arrangement and try to get everything approved at once. “That’s just a nightmare because you really don’t know what is going to come in!” Consequently, the drive is now on to find new, more appropriate regulatory systems, which span important issues such as data privacy.

That said, this doesn’t mean we can use regulation as an excuse to avoid innovation, Federer emphasises. “That excuse doesn’t fly. We’re well beyond the time of using regulations as an excuse.” Instead, pharma should be working closely with regulators to explore the new territory together. “Regulators want better outcomes for the people they’re responsible for.

“If we can work differently and do pilots and try to create a solution, we have seen that regulators are very happy to experiment with us to deliver a better result.”

Three internal barriers to transformation

1: Functional silos compete for scarce resources – Pharma has traditionally not been organised into cross-functional teams, with clear separation between disciplines and brand teams. Siloed teams compete for funding and resources in a company, especially in shared services groups like marketing and IT.

Tip: Cross-functional brand teams are seen as the way forward in many forward-thinking organisations.

2: Functional silos and limited interoperability between systems limit the flow and utility of data and our ability to uncover insights. Last year, a survey by research organisation Forrester found that 49% of companies (across all sectors) have yet to implement a strategy to obtain a unified view.

Tip: Switching from the traditional inside-out view to outside-in opens the door to a comprehensive picture of the customer journey and experience. For instance, the US Food and Drug Administration (FDA) has issued a consultation paper stating that, in order to see the highest success, clinical trial leaders must use electronic health records (EHR) that promote health data interoperability, a recent blog from leading US digital transformation consulting firm Perficient reveals.

3: Continuing to focus on products not outcomes

Blockbuster products have been good to pharma but the trend from the market ecosystem of patient/consumer, providers and payers is towards outcomes-based solutions.

Tip: Instead switch towards a focus on the customer and patient (customer’s customer) journey. Understand that, as a consequence of digital, customers can be segmented by their behaviours (which will evolve over time) and we are able to drill down in our segmentation way beyond traditional demographic groupings.

So, if we can work externally with the regulators to develop new approaches what about internally, within pharma companies? Takeda's Naim is clear about the scale of the transformation required: "We are talking about a mindset change."

Internal silos and power structures, lack of integration between marketing, sales and other relevant departments, the fact that the old share-of-voice method is still working to some extent, and lack of available new talent – all of these dynamics feed into a complex landscape of organisational barriers; moreover, the increasing pace of change can be daunting.

Naim's view is that the customer journey is, in essence, cross-functional and requires an integrated approach by which all the functions work together: medical affairs, sales, marketing, market access, digital – collaborating around one specific customer journey, and that's how we achieve customer centricity. **It is a five to seven-year journey.**

Moreover, this journey should introduce new capabilities gradually so that people can absorb them, and provide critical evidence through "proof of concepts" to facilitate learning and change the mindset, culture and practices.

“ The customer journey is, in essence, cross-functional and requires an integrated approach by which all the functions work together: medical affairs, sales, marketing, market access, digital – collaborating around one specific customer journey. ”

Hicham Naim, Strategy & Customer Centricity Europe and Canada Director, Takeda

A strategic approach to the digital organisation

Digital transformation touches many areas of an organisation from interactions with customers to the company's vision, operations and culture. A clear first step is to have a coherent strategy, and this needs to come from the very top.

According to Hicham Naim at Takeda, a key lesson is also that technology shouldn't be driving the strategy; it should merely be a facilitator and you need to work out what your customer engagement strategy is. "If you really want to make a difference, you need to ask the right question: How does my engagement strategy fit for a new digital world? Instead of "how does my digital strategy fit my brand strategy?"

Thus, whatever technologists might be tempted to tell us, digital strategy is not simple – business process re-engineering has never been simple, especially when it applies across a whole organization. It certainly isn't about merely acquiring some technology and additional capability and job done; it represents a complete mindset change.



Berfin Demirbilek

Digital transformation in Bayer Turkey

Bayer's award-winning team in Turkey sits within the scope of Integrated Multichannel Marketing Manager, Region EMA & EU, Berfin Demirbilek. The group is represented in the organisation's digital core team driving change across Bayer, and has been working across brands and divisions to embed digital excellence in all parts of the business. This role encompasses onboarding the Bayer Turkey organisation – including the top management – in this journey of raising awareness, by enhancing the level of knowledge and, ultimately, the level of competency within the organisation. Through effective collaboration and cross-functional work, the team has established a multichannel vision called INTEGRA, creating an environment in which ideas generated are integrated with the rest of the marketing activities.

Nevertheless, many organisations are asking themselves, "What is my business strategy or multichannel strategy to align with my corporate strategy?" Yet, this is not necessarily the right approach, Naim suggests. Instead, the correct question should be: "What is my strategy in the digital world." This is because the environment has changed significantly from when our tried-and-tested strategies were originally formulated.

Panos Papakonstantinou from Novartis underlines the importance of a focus on change management and, as with any such program, this means spending some 80% of the time working on things like communication, training, stakeholder building and so on, with 20% spent on actual development of the activity. "We really have to think of change management as a key topic in driving digital forward."

Leadership from the top and a very dedicated implementation team are the two pre-requisites for a successful digital transformation, Bayer's Federer suggests. "That internal change piece, the only way to do that is to have a very dedicated, persistent team to see what changes need to be made but then to have top-management engagement. So often, to change the status quo, you actually need someone from the very top and in our case a board member."

Naturally, internal politics and conflict with established power bases – for instance tensions between sales and marketing – frequently also feed into the equation across the pharma industry. In this context, Federer is diplomatic: "The pharma industry is designed to be stable. That's always a challenge when it comes to agility and speed. So these change management

processes are inherently very political because you are changing what has been done for a very good reason; to get the will to change takes a long time.

“We kicked off our digital transformation in 2014 and it’s been just tremendous. We have a digital council that works across technology, the plants and the business side; we’ve got teams of colleagues working on high-priority projects to fuel this experimentation. It really is a change in the culture.”

Of course, powerful content focused specifically on precise market segments, delivered across channels at the convenience of the customer is an important driver of multichannel marketing success. Accordingly, deep knowledge of audience expectations and behavioural insight is a given. But how can we build this understanding?

On the marketing side, innovation involves more experimentation and, consequently, more failure on the pathway to success. Part of this process has to be more A:B testing to discover what works. This contrasts with the old model “where all of the experimentation was done and then you give it to marketing and you agree on something and you roll that out.” Federer is clear: digital implies more agility and more experimentation.



Gerhard Arnhofer

Tackling the talent issue

Talent is the big challenge for many pharma organisations when it comes to digital. Gerhard Arnhofer leads the centre of excellence for integrated multichannel marketing on the pharma side at Bayer. Set up some six months ago, the CoE is seen as the quickest and most effective way of building digital capability within the organisation.

This center of excellence is one of a number of CoEs within the company, designed to inspire and transform the organisation. These deal with different competency areas such that the bundled competencies available within these centres of excellence enable the wider organisation to build up its skills, competencies and knowledge in those specific areas. After several years of impact, individual CoEs are dissolved once they have done their work, with the result that the organisation as a whole understands more than the CoE can then deliver. Traditionally, this knowledge transfer takes three to five years. This is a technique that Bayer has applied for several years.

Talent in the digital space is currently limited, particularly at mid- and senior-management level. Bayer imports some talent but is aware that pharma is a distinctive sector, so that “you either love it or hate it”.

One solution is homegrown talent. Bayer runs a dual study program for undergraduates who spend time at a university on technology and economics programs and then half their time on the job within the corporation. Bayer is able to hire fresh talent out of that stream and can shape individuals early on in their careers.

Currently, there are a number of people within Arnhofer’s team writing their dissertations and the organisation is interested to see whether this approach will accelerate the digital transformation or not. Topics covered by the students include AI, evaluating concepts of remote detailing, and business decisions analysis, among others. Team members fresh from university have a very keen eye for evaluating problems but need considerable time spent on nurturing them.

In addition, Berlin has a thriving start-up scene, with a large number of talented people from the digital community originating from all over Europe. This represents a significant talent pool.

“The number one thing for us is always the talent – the people. We do have people in our organisation who are world leaders in digital marketing and multichannel marketing and integrated customer experience.”

Jessica Federer, Leading Digital Development, Bayer

Sharing ideas and information across teams is a significant part of this process, as Federer explains. “What I think is particularly nice right now is that in our digital marketing piece across pharma, consumer health, crop science and animal health, those digital experts in Bayer get together across the different divisions and share best practices.” External partnerships are also important and, in Bayer’s case, this is with technology disruptor Google.

Cross-functional working within Takeda and other pharma organizations also feeds into the process, bringing together all of the relevant functional groups around a specific patient journey.

Federer lists a number of key elements of a successful transformation, but sitting at the top is talent. “The number one thing for us is always the talent – the people. We do have people in our organisation who are world leaders in digital marketing and multichannel marketing and integrated customer experience. We have brilliant people here and you’ve just got to have people that get it and understand it.”

After people – and that includes both the understanding and the support – at Bayer the next stage is formulating the processes. “Can people create the change they need to create? Can they deliver what they need to deliver? Following that, it’s the enabling infrastructure. “We take a look at the platforms: the tools we are using also need to be updated or changed.”

At the same time, Bayer considers the partners it needs to work with to make the transformation happen. These may range from well-known global digital leaders such as Google and YouTube to regional and local collaborators. “You look at who are the partners that are meaningful to your customers and how do you do something with that partner that creates more value for your customer and makes sense for a long-term relationship.”

Digital transformation checklist



- Clear leadership from the top – the biggest barrier to change is culture
- Dedicated team – to drive the process throughout the organisation
- Talent – hire the best talent and train the business in digital
- Processes – define these from the start
- Platforms – work with IT, as they can be the real gatekeepers
- External partners – choose carefully and introduce them steadily to the pharma environment
- Communications – share success stories
- Pilots – experiment and hone, then scale up
- Buy-in from the business – work cross-functionally
- Targets and metrics – move beyond traditional marketing metrics to business metrics
- Compliance, privacy and security – build these in from the word “go”

Interacting with patient advocacy groups

Patient advocacy groups are hugely important in the digital space: they bring together patients as a community, helping them to share experiences and knowledge and support one another. They also empower patients by providing them with a louder voice to physicians and the research community.

“These advocacy organisations are amazing,” Bayer’s Jess Federer enthuses. Nevertheless, pharma should exercise caution in the way we work with them so as to preserve their independence and neutrality. “Their independence and their neutrality is what makes them meaningful. If we, in any way, jeopardize this we are doing a disservice to the people they are helping,” she stresses.

Federer admits that pharma companies are still working out how to work with advocacy groups going forward. In her view the safe space is always to focus on education. “As pharma companies, we are able to bring in some of the top experts and physicians and specialists in the world. Giving that type of access and information to these organisations – particularly for rare diseases – is very meaningful. Going beyond that, I think it’s difficult to say where the boundaries lie but everybody needs to be acutely aware of the need to protect the independence and neutrality of these advocacy groups.

The patient voice

Monique Levy, recently appointed Senior Vice President and Head of Customer Strategy and Value Delivery at PatientsLikeMe, explains the role of her organisation, which has more than 400,000 members. “We have an online community where patients measure, track and connect with one another around their condition to get better, live better and help others.”

PatientsLikeMe then seeks to raise the patient voice to the level of medical evidence to improve research, drug development and care delivery. “We have a science-based platform and deep know how to make it useful for patients.”

Levy points to a wider business trend whereby industry in general is putting customers at the centre. In terms of healthcare, the shift to outcomes means that the closer you can get to the patient, the better products you develop, the better care systems you can define, and you get a more efficient and mutual system.

She also draws an immediate distinction between different perceptions of what digital means in pharma today. For more than a decade, digital has meant new channels and devices to reach and market products to customers, mostly after launch. But now digital is increasingly referring to data, advanced analytics and different ways of engaging patients (and other customer sets) across the value chain. Over the past 12-18 months, Levy has seen half-a-dozen pharma bring together departments to collaborate on customer engagement, patient centricity, digital and commercial transformation.

Asked about the difference between the customer and the patient, Levy is candid: “I don’t think we’ve figured it all out. When it comes to healthcare, in some ways you want to act like a consumer – for example, to ensure choice and quality – but in other ways you’re dependent on others and a complex ecosystem.

She raises the concept of the principal agent and the learned intermediary (i.e. the HCP) making decisions on behalf of the patient. “It’s a different kind of consumer experience.” This complexity calls into play the consumer being able to take more responsibility for healthcare

“Everybody needs to be acutely aware of the need to protect the independence and neutrality of patient advocacy groups.”

Jessica Federer, Leading Digital Development, Bayer

decisions: being able to evaluate risk, whether to pay for a treatment now or postpone it, and also understanding the concept of not necessarily receiving immediate benefit from their actions. “Patients are on a long journey; they don’t know the parameters; they don’t know how to make those decisions; they don’t know what the new relationship with the physician looks like. It is a blend of being a patient and a consumer.”

The work that PatientsLikeMe does with pharma is to provide patient insights to tackle some of industry’s biggest challenges: from assessing unmet needs in discovery to developing patient-centred trial designs, to monitoring the launch of new drugs and impacting quality of life and decision making. “The more you listen to patients, the more those things start to come together.”



The digital disruptor

We solicited views from tech giant Google – a digital disruptor both within and beyond the healthcare sector.



Ryan Olohan

National Industry Director for Healthcare at Google in the US, Ryan Olohan leads the teams responsible for developing and managing Google's relationships with pharmaceutical and consumer health companies. He explains that 5% of Google searches are for health information. Asked how HCPs and health consumers distinguish between trusted and unreliable content and the impact of reliable curation on this, he tells eyeforpharma: "Knowing there are over a trillion searches a year on Google and 1 in 20 are now health-related, we recognise that it is critical to ensure the search results are reliable for both patients and HCPs. While everyone will acknowledge there is too much unreliable content across the web, it is nice to know that the Knowledge Graph and our recently announced Symptom Search are certainly making it easier for people to find the helpful information they are looking for."

Explaining how pharma can leverage Knowledge Graph and similar initiatives, Olohan says: "While pharma companies have actively been part of the health search conversation for years, the next step is understanding the right messaging and content to answer a patient or HCP searching for help. This means we shouldn't always try to sell a patient a pill when she searches for 'type 2 diabetes symptoms' but first try to educate the patient in a time of need. Pills can come later!

"Regarding HCPs, we know that 83% of physicians would prefer to click on search results that are labeled for HCPs, so including messaging that says 'HCP' in the URL or ad copy is a great way to indicate reliability to an HCP."

Digital offers simplicity as well as functionality. The authors of *Pharma3D – Rewriting the script for pharma in the digital age* argue⁷: "Although digital is a nontraditional, dynamic channel to manage, it creates an opportunity to simplify interactions, to influence patient and HCP decisions, and (ideally) to become an active participant in these interactions."

Olohan supports this view: "In Pharma3D, we talk about 'micro-moments' and how this is now the new battleground for winning HCPs and patients. When a need arises, people turn to digital to look for answers, discover how to do something (e.g., how to inject an EpiPen), and

Google Knowledge Graph

Development of Google's Knowledge Graph was in part designed to solve the problem of unreliable health content online. Google's Ryan Olohan explains. "We wanted to make sure that users were getting reliable health information from credible sources. In early 2015, we announced a partnership with a team of medical doctors to carefully compile, curate, and review the information that appears in the Knowledge Graph. All of the gathered facts represent real-life clinical knowledge from these doctors and high-quality medical sources across the web."

The information has been checked for accuracy by medical doctors at Google and the Mayo Clinic. "This doesn't mean these search results are intended as medical advice or to replace doctors. We know that cases can vary in severity from person to person, and that there are bound to be exceptions. What we present is intended for informational purposes only – and you should always consult a healthcare professional if you have a medical concern.

“Demographics rarely tell the whole story. Understanding consumer intent is much more powerful.”

Ryan Olohan, National Industry Director for Healthcare, Google U.S.

make decisions about their health. We call these intent-filled moments, micro-moments.

“While pharma spends millions on TV commercials (in the US), we are still not paying full attention to the endless micro-moments in search, social, and video to influence patients and doctors. Don’t believe me? Watch daytime TV for ten minutes and track how many pharma commercials you saw. Then do some simple searches on desktop and mobile for that drug/condition via Facebook, Twitter, Google, Yahoo, YouTube, etc. You decide if we are winning those micro-moments.

“The great news is, while we are not there yet, the industry is loaded with great people who are quickly moving their companies in this direction,” he adds.

Asked about microsegmentation (beyond traditional demographic segmentation, Olohan has this advice for pharma marketing execs. “Demographics rarely tell the whole story. Understanding consumer intent is much more powerful. When someone has a want or need, they turn to their smartphone for help – whether it’s a teenager with acne watching their favourite star’s nighttime skincare routine on YouTube or a mom looking for a coupon for children’s seasonal allergy medication.”



In conclusion: As digital evolves

For most pharma companies, digital has now moved on from simply being an ancillary element of the multichannel marketing mix, reports Aptus Health's Brad Davidson. While digital will have some broad implications such as removing friction from the customer experience via an omnichannel approach, the details will play out differently depending on specific audience segments: at the top level HCPs and payers will want different things compared with what patients are seeking, for instance.

Digital remains a dynamic endeavour and informed segmentation is vital. This means there are, of course, dangers of pushing digital in the wrong direction. We should not forget the nature of healthcare, warns Davidson, who studied end-of-life care for his PhD. He advises against making engagement with customers too transactional – “We shouldn't Candy Crush it”. He adds: “It's jarring how little some of the people understand the nature of healthcare.” Importantly, he warns that it is “very easy to become a spam engine by mistake.”

In particular, we should guard against overwhelming HCPs. While on a personal level, they use digital like all of us, on a professional level they are struggling. They are not used to being on call 24/7 and professionals are grappling with the always-on nature of the digital landscape. “Doctors want very much to be empowered better.” For instance, electronic medical records need to be better thought through: fantastic as they are for tracking patients, EMRs often don't allow doctors to write notes to themselves. There's a largely untapped opportunity to use the ubiquitous (and often disdained) EMR to actually add value at the point of care – offering physicians information and tools that support decision making in the moments that matter most.

Further changes

As if to underline the dynamic nature of the digital landscape, the way we consume digital is already changing. Not everybody wants a new app, for instance. Consumers are beginning to show reluctance to download more apps to their smartphones, while Facebook and others have plans to control significant aspects of the digital space by re-imagining Facebook Messenger, for instance, as a self-contained environment complete with search and business interaction.

Davidson concurs: “Not every product needs a platform.” Online, people tend to go to the one or two platforms that they trust. In future, pharma is likely to rent space on trusted platforms where there is already a thriving ecosystem, and complement that with other distinctive digital capabilities, such as e-sampling and patient onboarding services.

In conclusion, we expect to see disruption on a grand scale as medical technology progresses, communications technology and channels evolve, and go-to-market models adapt. Digital has a profound effect on all of these: in terms of understanding the patient journey, developing products and services to define new solutions, in the way we communicate with the different customer segments – microsegments. The trick will be how to scale the one-to-one capability in the context of a one-to-many approach), by engaging customers (HCPs and payers) and the customer's customer (patients) as and when the wish to be engaged.

Content and intelligent marketing thinking, of course, remain paramount – and technology is just the facilitator – as we move from the world of multichannel to omnichannel and on to a 360° view of the patient journey. Concerning HCPs, it will be important to understand their business and professional concerns in the context of the rapidly changing healthcare landscape in which they operate.

As DT Associates' Tim van Tongeren suggests, the ultimate aim is to “reconcile hi-tech with high-touch.” In conclusion, we leave you with this comment from Rob Wyer of Swiich. “To be successful, you can't design multichannel from an ivory tower.”

“To be successful, you can't design multichannel from an ivory tower.”

Tim van Tongeren, Managing Partner,
DT Associates

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