LIFE SCIENCES SALES & MARKETING TRENDS 2020

Clarkston's perspectives are updated to reflect the impacts of COVID-19

In 2020, the life sciences sector is undergoing an industry evolution at an unprecedented pace. The evolution of cell and gene therapies are unlocking new methods to treat and cure diseases that have never been treated before. New technology is rapidly changing the way that every facet of the business operates, creating opportunities for endless business optimization.

A critical area in any life science business – commercial organizations (defined as sales, marketing, and market access teams) – have been accused of being slow to adopt to change in a world full of new opportunities. Yet, our research and client relationships tell a different tale where leading companies are investing heavily in creating new capabilities for these teams. Investments in data analytics are creating, for the first time, true personalization at scale. Focus on enhancing organizational agility is changing the way that these teams engage with key stakeholders and bring information back into the business to continuously improve. Emerging technologies are ushering in partnerships that make the promise of value-based care a reality today.

The COVID-19 pandemic and the resulting halting of nearly all routine healthcare procedures only accelerated the need for companies to digitize and find creative new ways to support their stakeholders. Our research has shown that companies that have invested in these capabilities for their Sales, Marketing, and Market Access teams are creating strategic leadership positions. Those who do not act will find it increasingly challenging to partner across the healthcare ecosystem.

PERSONALIZATION THROUGH DATA ANALYTICS

Personalization at scale offers enormous opportunities throughout patient, HCP, and treatment journeys. Over the last decade with the emergence of digital marketing across industries, the aspiration **of transmitting the right message to the right person at the right time through the right channel** has never been more achievable.

Understanding how to capitalize on this opportunity starts with understanding the stakeholder and how they receive information today. In the past, life sciences firms relied on generalized data about stakeholders' channel and communication preferences. Today, that information can be collected and assessed on an individual target basis.

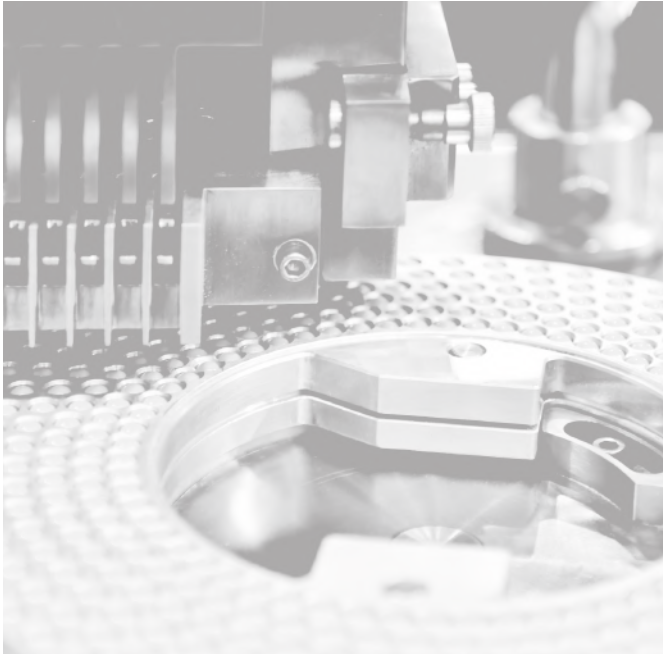
Top organizations lead with an understanding of the questions that they are trying to answer before assessing for data gaps or considering the addition of new enabling technologies. They are constantly aligning on the questions, assessing if current datasets can answer those questions, and devising methods to fill data gaps to answer those questions.

Analytics in Action: HCP Channel Optimization

In today's world, it is harder than ever to ensure that your message is heard by the right physicians at the right time. Typical approaches to messaging include merging paid media content in select digital channels with email campaigns and in-person rep visits. The result is often disjointed, and the message gets lost in the process.

However, **data analytics are offering a way** to optimize for timing, channel, and message at the same time. Finding the most relevant and influential HCPs, understanding next best actions and resonating messages can be achieved through analytics. The key is in bringing together the right data sources into a consolidated database to handle large volumes of highly connected data. But a single source alone is not enough. Principles of data management, data integration, fuzzy logic matching, natural language processing, network analysis and more must be expertly applied to review the data from multiple perspectives.

When applied correctly, new tools can transform a company's understanding of physician responsiveness, predict physician engagement, establish an easily replicated process, and scale. It helps leaders select the right speakers and attendees, tailor content and channels, engage up-and-coming KOLs, target those likely to switch, and increase meaningful engagement.



Analytics in Action: Predicting Competitor Drug Adoption

Categories once known as non-competitive are now being challenged on all sides. Fast moving companies are launching new products and achieving new indications at record pace. Among all of this change, leading companies are looking to not just understand and predict competitor launches, but also look more deeply at the likelihood of adoption with different HCP segments or target lists. If these companies are able to better predict this churn, they can better work with physicians to understand the perspective on the strengths and weaknesses of their products and positioning and refine over time.

To do this, companies are looking to combine internal and external data sources and develop a deeper understanding of each how an attribute about a physician impacts likelihood to adopt a new drug. Machine learning methods can be applied to create data-driven predictions of likelihood to adopt the competitor product. When the outputs of that analysis are overlaid with current target lists, plans can be devised to focus messaging and further educate HCPs on the disease for which their drug is prescribed, ensuring they have the support they need.

Once this method has been applied for a specific competitor, leading companies are **creating a repeatable model** embedded within new product pre-launch readiness activities. They also focus on investing in organizational competency, understanding, and adoption of these types of exploratory analytics to enable more consistent data-driven approaches at launch readiness.

HCP Channel Optimization and predicting competitive launch adoption are just two of numerous use cases where data analytics unlock new opportunities to improve the way that Life Science companies engage and go to market. Leaders in this space will use their patient and HCP journeys to inform where opportunities exist to shorten the time to diagnosis and treatment.

Data shapes the decisions that leaders make, not just in how to engage with external stakeholders, but also with regards to how to organize themselves to reach their business objectives and accelerate time to value. These were increasingly important in a world trending towards no-see doctor before COVID-19. Today they are imperative. **Those investing in data and analytics** are building the foundation for sales and marketing success tomorrow.

ENHANCING ORGANIZATIONAL AGILITY AND SKILLSETS

Life Sciences sales and marketing functions across the industry are seeking to **enhance their organizational agility,** improving structure, decision making, and upskilling their sales force for the future. Much like the engagement benefits that can be achieved through analytics, an informed approach to organizational design, decision making models, and field force training can be achieved through data analysis.

Many companies are seeking to simplify and streamline their organizational structure while building flexibility for a changing market. Hallmarks of these new organizational designs typically include a flatter structure, less bureaucracy, information availability at the right levels, and robust performance management strategies. Empowering decision making has always been an important leadership and business management ambition, but it's never been more important than today as every team member is truly a brand ambassador.

Post-COVID-19, the need to have an agile and flexible organization takes on a new meaning. While rep organizations have always been geographically distributed, no company was ready for the requirement of 100% virtual operations through their business. As companies have quickly adapted, there are several capabilities that companies are building that create data-driven approaches to improving their organizational skillsets and performance into the future.

Field force Upskilling for a Customer-Centric Future

Sales and Marketing training has always been a critical facet of the continuous improvement for any pharmaceutical company to improve effectiveness. Training takes on even greater responsibility as a growing percentage of doctors are no-see and reps need to evolve their skillsets to virtual delivery. Leading companies are not just investing in product and feature training, but also in more strategic skills that help reps better understand the HCPs and highlight ways that the product helps to alleviate their challenges.

Training that delivers the best results always starts and ends at an understanding of the customer needs. The most effective reps understand all the challenges that their stakeholders experience and can contextualize how their product plays in with a broader set of trends and everyday pain points. In addition, they look beyond the doctor's office and incorporate critical skills training like unconscious bias training that pay dividends within the company itself and in the field.

Best-in-class training is not just about delivering additional data or resources to reps but helping to bridge the data-insight-action gap. Training should be focused on helping reps understand how to utilize the company's data assets to shape how the engage in person and how they can also influence follow up engagement through other channels.

People Analytics and Performance Management

A lack of consistent employee engagement costs the biopharmaceutical sector billions each year in lost productivity. At the same time, it is harder each year to retain top talent, yet it's a more critical task than ever before. These challenges effect every function within a Life Sciences company but are even more impactful in spaces like sales and Patient Services where relationships with external stakeholders are critical.

Companies seeking to **improve employee engagement** are taking advantage of data-driven approaches to collect current-state information about engagement and utilizing it at the highest levels to inform company strategy. Leading companies are looking at engagement through a new lens post COVID-19, as new realities of travel and congregation are changing the way that companies must act in order to improve engagement.

Leaders that apply **people analytics** and act on them can reap the benefits of organizational effectiveness. New technologies can provide visibility into talent inequalities, gaps in inclusion, and other latent internal challenges. Armed with insights, they can retain the best talent, create inclusive places to work that drive greater engagement and improvement against corporate goals.

Preparing the workforce to be customer-centric in a fast-changing world and designing the structure to support is critical to success now and in the future. Internal engagement has never been more important to ensure that employees are ready to take on tomorrow's challenges. In addition, new data tools are replacing decisions once considered "art" with "science". Proper application of these tools is delivering actionable insights to sales and marketing leaders to make real improvements in team performance today.

PARTNERING TO ACHIEVE VALUE-BASED CARE

The promise of value-based care has been around for many years; equitable partnerships among drug makers, insurance organizations, and healthcare professionals all in the aim to improve patient care and optimize for costs to the system. There have been many challenges to realizing these goals, due to differing objectives by stakeholders, lack of interoperable technology, and the absence of financial incentives.

Over the last few years, leaders in rare disease and cell and gene companies started to have overcome these challenges to set up value-based arrangements (VBAs) by partnering with insurance companies to up pricing contracts that rebate based on agreed clinical outcomes of a therapy on a patient-by-patient basis. Notable successes in this space have included Spark's Luxturna and Alnylam's Onpattro. In these cases, these companies invested heavily in the data capabilities and data engines required to operate such agreements and aligned their leadership on forging strong strategic alliances with insurance partners.

Creating a Data Infrastructure for Value-based Care

In order to **deliver on the promise of value-based care**, leading companies have invested heavily in the IT and data infrastructure required to design, build, and maintain individualized records tied to outcomes and payment. Leaders build on deep skillsets in data science – data setup, cleansing, validation, storage, reporting, and architecture to create a single view of the patient's treatment.

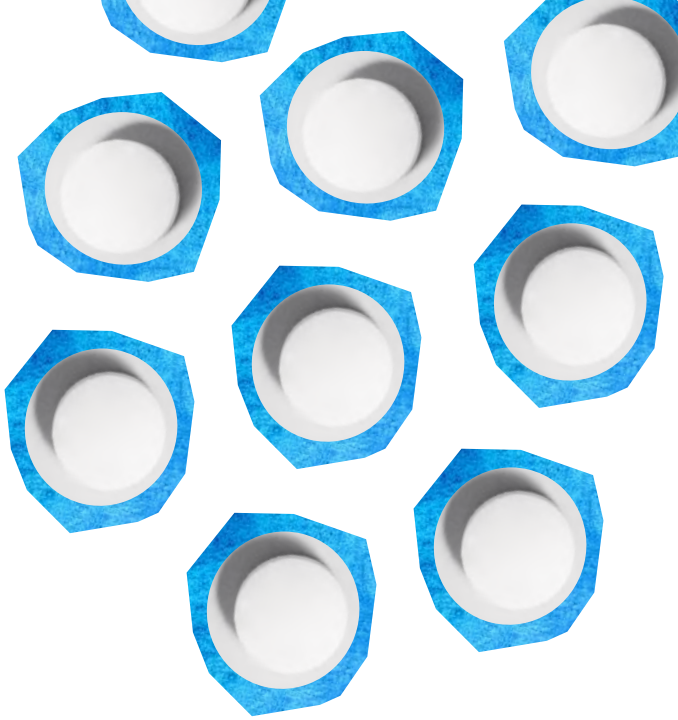
Leaders combine payer datasets with new transactional data resulting from patient clinical results to not just inform reimbursement, but also to help adjust future forecasts and management reporting. In a world tied to clinical outcomes and RWE, forecasting anticipated Revenue is harder than ever to maintain, but as datasets grow so can confidence in forecasting as adoption spreads.

Outside of the data infrastructure itself, companies are building unique partnerships with RWE collection facilities and other third parties to help facilitate and **automate the value-based order to cash process** – from diagnosis to clinical data collection through the payment settlement process.

End-to-End Therapy Orchestration: For leaders, the clinical outcomes data collection and settlement process are just two parts of a holistic digital strategy with the objective to create a single view of the patient and deliver the best possible care. Unlike previous use of CRM tools, new tools are **supporting data collection** at every part of the patient journey; even starting at patient finding, before patients are fully aware of their condition. For leading companies, data science and the resulting insights are informing the way sales and marketing organizations work and engage at every turn.

The integration of a single-stop portal for patient and HCPs, clinical data aggregation, and a settlement engine is incredibly powerful and self-reinforcing. Integration with other key systems such as ERP, warehouse management, and logistics management further **automate key businesses processes and deliver greater reliability, less waste, and better patient care.**

Cell and gene therapy companies stand to gain the most from early adoption of these automated processes as both the risk and cost of failure at any point of the manufacture-to-deliver journey is high. Personalization is not possible at scale without widespread adoption of automation between previously siloed components of the journey. Leaders are breaking those silos down and connecting datasets in a compliant way in order to enhance every facet of their business and improve outcomes.



While Luxturna and Onpattro are just two early examples, the power of aligned incentives will continue to penetrate drug markets with larger patient populations and more competition. These capabilities enable personal attention to the needs and outcomes of every patient at scale. As health system and insurer financial pressures mount to find the right pricing arrangements for any drug they dispense, the learnings from early VBAs will be applied by larger companies at greater scale. Over time they truly become **digital health systems** where integrations between partners are characterized by real time data sharing and cooperative agreements. Companies that have a strategy in place for understanding the requirements of value-based care and then set a plan to operationalize those capabilities will lead the race and be well positioned to create strategic alliances for the future.

IN CLOSING

Leading sales and marketing organizations are investing in their data and analytics capabilities to provide greater care and forge stronger partnerships with key stakeholders. These investments are often part of a broader digital transformation that began long before COVID-19 began impacting their operations and has since accelerated dramatically.

Winning firms have taken a value-based approach to identify opportunities where data can inform solutions to their challenges and their customers challenges. They capitalize on opportunities to collect and use information at every part of the patient and HCP journeys, using new technologies and data science methods to create new ways of engaging and providing superior patient care. They also look inward and realize benefits that analytics can have on their own organization to break down cross-organization silos and drive an improvement in productivity.

Finally, leaders are investing in a value-based future. They are taking real steps today to create the infrastructure, the internal capabilities, and partnerships required for cooperative and equitable value-based arrangements. 2020 is just the beginning of massive disruption, innovation, and new challenges. Leaders must respond with transparent, data-driven strategies to continue to grow and deliver the best possible patient care.

ABOUT CLARKSTON CONSULTING

Businesses across life sciences industries partner with Clarkston Consulting to enhance strategic decision-making, improve operational effciencies, implement new technologies, and promote business growth and market diversification. Leveraging deep functional and industry expertise, our people discover, design, and deliver solutions that fit your business, your goals, and your future. At Clarkston, your purpose is our purpose.

For more information about how we can help your company with the challenges and opportunities in life sciences, please contact us.

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