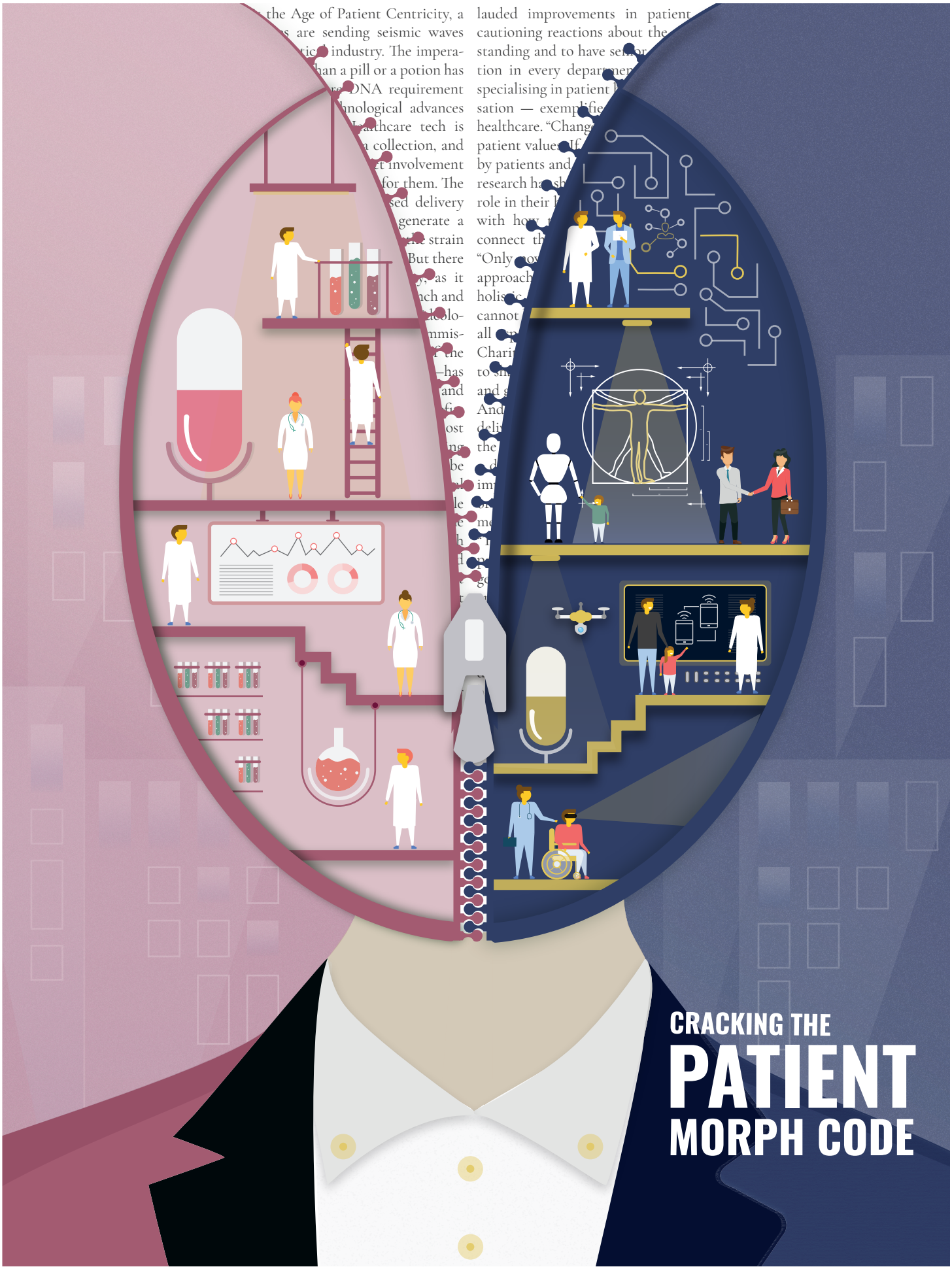
GOLD.

Issue 01 | June 2018 | emg-gold.com



CRACKING THE PATIENT MORPH CODE

Follow the *right* data, get to the point.

How do you build an unfair advantage? “Follow the data,” everyone says. Trouble is, most of the data is just noise. You have to follow the *right* data. Find your real audience. Shape your story. Become relevant – valuable even – so you can fit into their lives. Because that, after all, is the point.

There’s your blueprint. Now you need a marketing communications partner with the ability to unearth these transformative insights and the strategic, creative and technical expertise to build it.

Here we are. W2Ogroup.com

W2O Build yours.

CEO's LETTER

I had an idea — to create a company that would grow to become the go-to place for healthcare professionals.

After a few unsuccessful attempts of pitching my vision to previous bosses and business owners, I decided to get off my backside and turn the idea into a reality.

In 2012, the European Medical Group was founded — a company that started off creating quality peer-reviewed open access journals for thousands of doctors, nurses, and allied health professionals. After more than 5 years of hard graft, opening two offices, and employing a team to help me on the journey, I decided that in order to truly become the go-to place for healthcare professionals, we had to keep growing and creating new products.

And so, GOLD was born — a pharmaceutical magazine with engaging content, bold design, and a bit of an edge. Why name a pharma magazine GOLD, you ask? One of our core values and visions as a company is to create gold medal winners. So, our aim is to provide quality content to educate and inform pharma executives and help them become gold medal winners in their jobs. Hence, GOLD.

I invite you to dive into this magazine and learn about the top trends and challenges that the pharma industry currently faces. Our new team have been working hard to fulfil our vision of creating a magazine that is different from other existing publications, so if you enjoy what you see, please let us know!

Spencer Gore

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G. CONTENTS

SPOT

MERGERS & ACQUISITIONS

In every issue we look back over the previous 3 months and highlight the top M&As and appointments in the pharmaceutical industry. The last 3 months have certainly been busy, setting the bar high for the second half of 2018.

ELI LILLY ANNOUNCES ARMO ACQUISITION

In early May, Eli Lilly confirmed their agreement to buy ARMO BioSciences for $1.6 billion, only months after ARMO went public. "The acquisition of ARMO BioSciences adds a promising next generation clinical immunotherapy asset to Lilly's portfolio of innovative oncology medicines", says Sue Mahony, Vice President and President of Oncology, Eli Lilly.

GSK BUYS OUT NOVARTIS

GlaxoSmithKline bought Novartis out of their consumer health joint venture for a total of $13 billion (36.5% stake). Essentially, this means that GSK will now have full control over some household-name products such as Sensodyne and Voltaren. Emma Walmsley, CEO, GSK says: "For the group, the transaction is expected to benefit adjusted earnings and cash flows, helping us accelerate efforts to improve performance. Most importantly, it also removes uncertainty and allows us to plan use of our capital for other priorities, especially pharmaceuticals R&D."

TAKEDA BUYS SHIRE

Unless you have spent the last month living beneath a rock, it will not come as news that after weeks of discussions and negotiations, Japanese pharmaceutical giant Takeda reached an agreement to buy Shire for $62 billion. However, it was recently reported that a group of Takeda's shareholders are uniting together to block the deal, though they will need support from at least 33% of the shareholders to achieve this. If this acquisition progresses, it will not only mark one of the most significant acquisitions in the history of pharma, but it will also record the largest ever takeover by a Japanese company. "We firmly believe that this combination recognises the strong growth potential of our leading products and innovative pipeline and is in the best interests of our shareholders, our patients, and the communities we serve", says Susan Kilsby, Chairman, Shire.

APPOINTMENTS

LIGHT

AXOVANT APPOINTS ALLERGAN'S CHIEF MEDICAL OFFICER

Gavin Corcoran will soon be stepping down as the Chief Medical Officer of Allergan to take up the position of Executive Vice President of R&D at Axovant. "I look forward to working closely with the senior management team to bring new investigational medicines into the portfolio as we build upon Axovant's capabilities in R&D", notes Corcoran in a statement.

GSK APPOINTS KEVIN SIN

GlaxoSmithKline recently announced the appointment of Kevin Sin as Senior Vice President and Head of Worldwide Business Development for Pharmaceuticals R&D. Sin, who is currently Vice President of Oncology Business Development at Genentech, will join the pharma giant in July. He comments: "I am thrilled to be joining GSK at such an exciting time and important stage of the company's growth. The incredible pace of scientific and technical innovation that is happening around the world is significant and presents an abundance of opportunities to combine GSK's strengths and capabilities with that of others to pursue big ideas in science and medicine."

LISA ANSON MOVES TO REDX PHARMA

AstraZeneca's UK President, Lisa Anson, recently announced that she will be joining Redx Pharma as their new CEO. Upon announcing the news, Redx's shares soared by 48%, showing that the pharma heavyweight has a lot of value to add to the organisation. "I am confident that as CEO, she is the right person to grow this company into a very exciting and meaningful entity that has the potential to create both important new medicines for patients and generate significant value for shareholders", commented Ian Ross, Chairman, Redx.

NOTABLE PARTNERSHIPS

PFIZER & IBM WATSON

Pfizer announced its partnership with the tech giant in 2016. The aim is to use IBM's artificial intelligence system to accelerate drug discovery in the immuno-oncology field.

SANOFI & VERILY LIFE SCIENCES

Sanofi's clinical expertise and Verily's software development knowledge saw the launch of Onduo, a virtual diabetes clinic, which exists to support patients with diabetes.

GSK & ALIBABA

The British pharmaceutical company partnered with the Chinese e-commerce giant's 'Ali Health' platform to launch an adult vaccination service system. This will include online disease education, consultation, and an appointment booking service.

ASTRAZENECA & BERG

Another notable AI collaboration, whereby AstraZeneca are looking to utilise Berg's technology to help with drug discovery for the treatment of Parkinson's disease and other neurological disorders.

NOVO NORDISK & GLOOKO

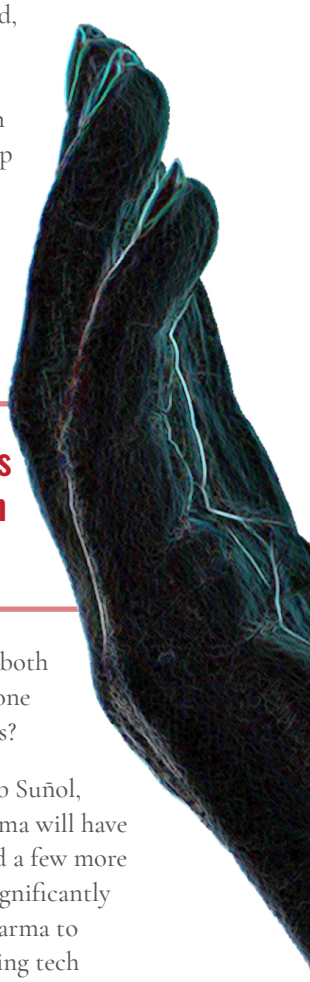
In July 2017, Novo Nordisk and Glooko announced the launch of their jointly-built application called Cornerstones4Care. The app offers personalised digital services to support diabetes patients.

PHARMA VERSUS TECH: COMPETE OR CO-OPERATE?

WORDS BY LOUISE ROGERS

'Where pharma is part of the solution': the topic at this year's eyeforpharma, Barcelona, which discussed pharma's role in going 'beyond the pill' and creating a future that is personalised for patients. But being part of the solution suggests that this isn't pharma's role alone. In a world where the advancement of technology has exponentially advanced over the last 20 years and patients are becoming increasingly connected to their health via digital platforms, it's no wonder tech companies are joining pharma in contributing to new healthcare solutions.

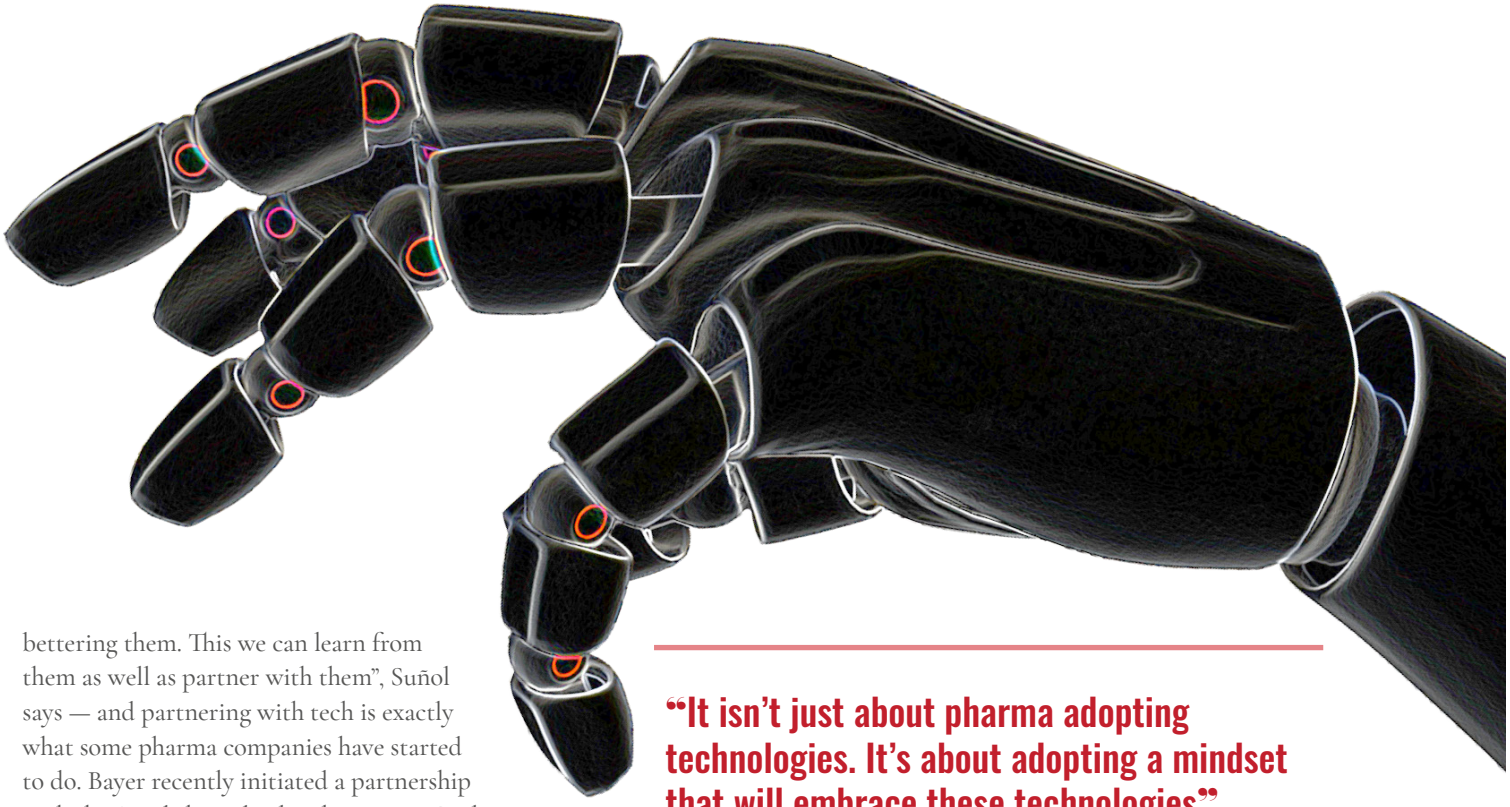
In 2014, Google's artificial intelligence (AI) division, DeepMind, embarked on a partnership with Moorfields Eye Hospital to discover whether using AI analysis of retinal scans to detect early signs of visual degeneration is more effective than human analysis. Then in late 2017, Microsoft announced its partnership with various medical centres combining AI, cloud tech, and industry research to create a healthcare chatbot, a platform serving as a surrogate doctor with the ability to provide an automated medical diagnosis for symptoms experienced. These cover just some of the ways the tech titans are transforming the healthcare industry.



"With 160 billion Google healthcare searches last year, are we progressing to a situation in which "Dr Google will see you now?"

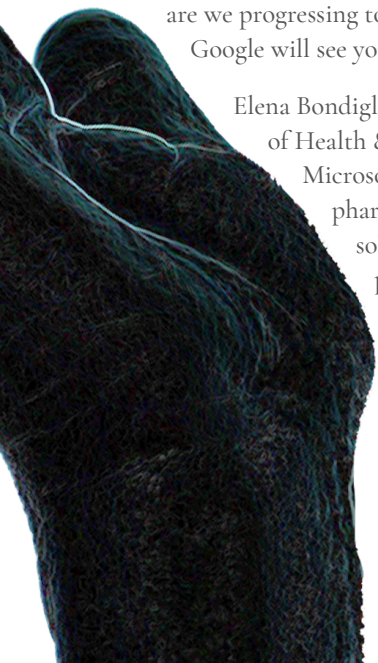
So, will it be 'Pharma plus Tech' or 'Pharma versus Tech'? Can both truly co-operate as evenly weighted business partners, or will one develop a monopoly on leading innovative healthcare solutions?

"I don't think it will be one leading the other," comments Jacob Suñol, Digital Chief Technology Officer, Roche Diabetes Care. "Pharma will have to lead in some cases and tech in others, as each team still need a few more pieces of the others." It is safe to say that tech has developed significantly more rapidly than medicine over the last decade and so for pharma to obtain the missing pieces, acquisition of inhouse talent regarding tech and patient engagement is imperative. "It's not Google versus us, or Apple versus us. Those companies are great at analysing their processes and



bettering them. This we can learn from them as well as partner with them", Suñol says — and partnering with tech is exactly what some pharma companies have started to do. Bayer recently initiated a partnership with the Swedish medical tech start-up Coala Life to electronically find the many individuals with undiagnosed heart disease, thereby helping to prevent stroke and myocardial infarction through early treatment.

David Verdura, former Global Digital Solutions Head, Novartis, now a freelance Digital Health Consultant, has some different views on pharma's current stance: "If pharma hasn't realised yet that they are going to have to change to become more like tech companies, they must act now, because tech companies are entering the healthcare space and they will be direct competitors", he says. "They must identify and understand the needs of patients, the pain points along their journey, and define and apply the technology to solve this. Tech companies first talk about the needs of their users and then about what technology to use. They have the advantage of having digital as a base of their business models." With 160 billion Google healthcare searches last year, are we progressing to a situation in which "Dr Google will see you now?"



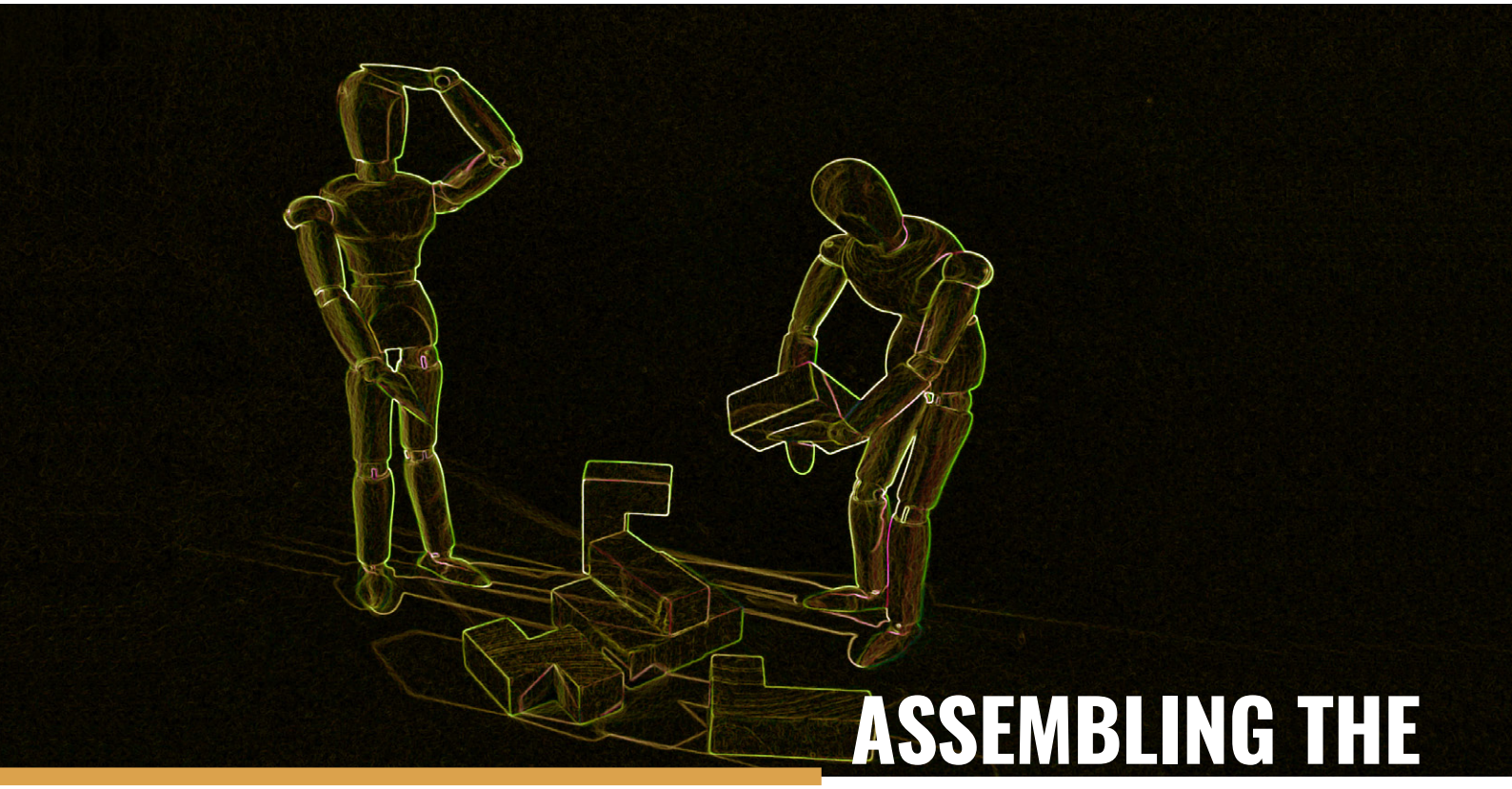
Elena Bondigliolo, Managing Director of Health & Life Sciences EMEA, Microsoft, has no doubt that pharma will be part of the solution: "Particularly when pharma can be powered by systems of intelligence and reasoning over an increasing amount of health data", she explains. "But it isn't just about pharma adopting these technologies. It's about adopting a mindset that will embrace these technologies when they are implemented. For such a traditional, fixed industry, having to adopt and embrace a start-up culture may prove difficult."

"It isn't just about pharma adopting technologies. It's about adopting a mindset that will embrace these technologies"

Pharma is certainly an industry that excels at, and is experienced in, the research, development, manufacturing, and commercialisation of medicines, but tech companies are closer to consumers and understand what makes money. To embrace a start-up culture, pharma shouldn't approach tech as a commodity but as a new mindset, encouraging an ecosystem with people who really believe that the transformation is possible. Like Google, who are known to reward staff for failure, the pharma industry needs to be prepared to fail. After all, like the businessman Peter Drucker once said: "Culture eats strategy for breakfast."

Where does that leave both industries in the healthcare space? It seems the way forward is the combination of what both parties do best; the healthcare industry should continue producing innovative medicines that patients can clearly see improving healthcare outcomes, and for the tech industry to contribute their expertise in facilitating patient diagnosis and accessibility.

Bondigliolo concludes: "The partnership and democratisation of the tools available will be at the heart of the transformation of tomorrow."



ASSEMBLING THE PUZZLE PIECES

WORDS BY MARTIN BARROW

The age of big data is redefining the role of medical affairs in the pharmaceutical industry. Formerly regarded as technical product advisers, MA is assuming a critical function at the interface of pharma, doctors, and patients.

Pharma companies are developing previously unimaginable amounts of data and scientific insights with the potential to transform the delivery of care. But they are not always successful in communicating scientific information effectively with the growing array of stakeholders that influence purchasing decisions. That shortfall is one reason many new drug launches underperform: 50% of all launches now fail to meet company expectations, according to research by Bain & Co.

> "Medical Affairs could become a strategic ace"

POTENTIAL BARRIERS TO ACCESSING THE RIGHT DATA FOR REAL WORLD EVIDENCE

DATA QUALITY

Researchers often have to clean RWE, especially from non-traditional sources, since most of it is not collected for research purposes. However, the cleaning methods that researchers use may not yet be widely accepted for statistical validity.

PATIENT PROTECTION

Data breaches in the healthcare industry continue to raise concerns around the security and privacy of patient data. These concerns could stifle the willingness of institutions to invest in RWE applications or of patients to consent to the use of their data.

To address this challenge, pharma companies are repurposing MA by leveraging their deep product knowledge and understanding of disease to generate and present high-quality scientific knowledge to the market and educate stakeholders about next-generation products.

An experienced MA team links scientific and clinical results to patient outcomes, adding value at each stage of a drug's development. Teams gather feedback on market potential and patient needs at the earliest stages of the drug development process. Their insights can improve return on investment and create a strong competitive advantage by helping companies design more effective clinical programmes and launches.

The winners will be those pharma companies who transform MA teams into medical value teams with three strategic roles: communicating scientific evidence, providing market-based strategic input to drug development and portfolio management, and overseeing the effort to produce big data and real-world evidence.

Loic Plantevin, Partner, Bain & Co, says: "MA could become a strategic ace, not only to generate but also to communicate scientific evidence to all stakeholders and to educate them in how to optimise use of new products."

For instance, when it comes to prescribing drugs, doctors value real-world evidence ahead of all other factors. But they struggle with the sheer volume of data that is being put at their disposal. So too are healthcare commissioners. At the same time, diagnostic tools are becoming more sophisticated and drugs increasingly complex. MA teams can help stakeholders — doctors, commissioners, payers — interpret the data to their advantage.

Additionally, MA teams create scientific evidence to support drug development, including real-world evidence, in-house data, and scientific analysis. Teams can help companies respond to the exponential increase in demand for independent data and also the rise in drug protocols and guidelines and greater transparency requirements. In the right environment, MA teams integrate new types of evidence and steer collaborations with data providers and analytics companies.

"By 2025, medical affairs will be the patient-access advocate, honing conversations and data"

Dr Théresé McCall, Executive Leadership Committee Member, Medical Affairs Professional Society (MAPS), says that with the acceleration of the transfer of knowledge via the internet and social media, MA will likely find themselves involved even earlier in the commercialisation process than they are now. "Knowledge moves across borders and is no longer siloed", she says. "By 2025, MA will be the patient access advocate, honing conversations and data."

Digitisation is challenging the very foundations on which the pharma industry is built. Today's companies will prosper if they truly understand the patient experience. They can take a big step to achieving this through the expansion of the capabilities of their MA teams to act as an effective liaison between the medical community and the internal research organisation. At the same time, MA can help to re-establish pharma's integrity and credibility by communicating higher quality medical information that is of the highest relevance to customers.

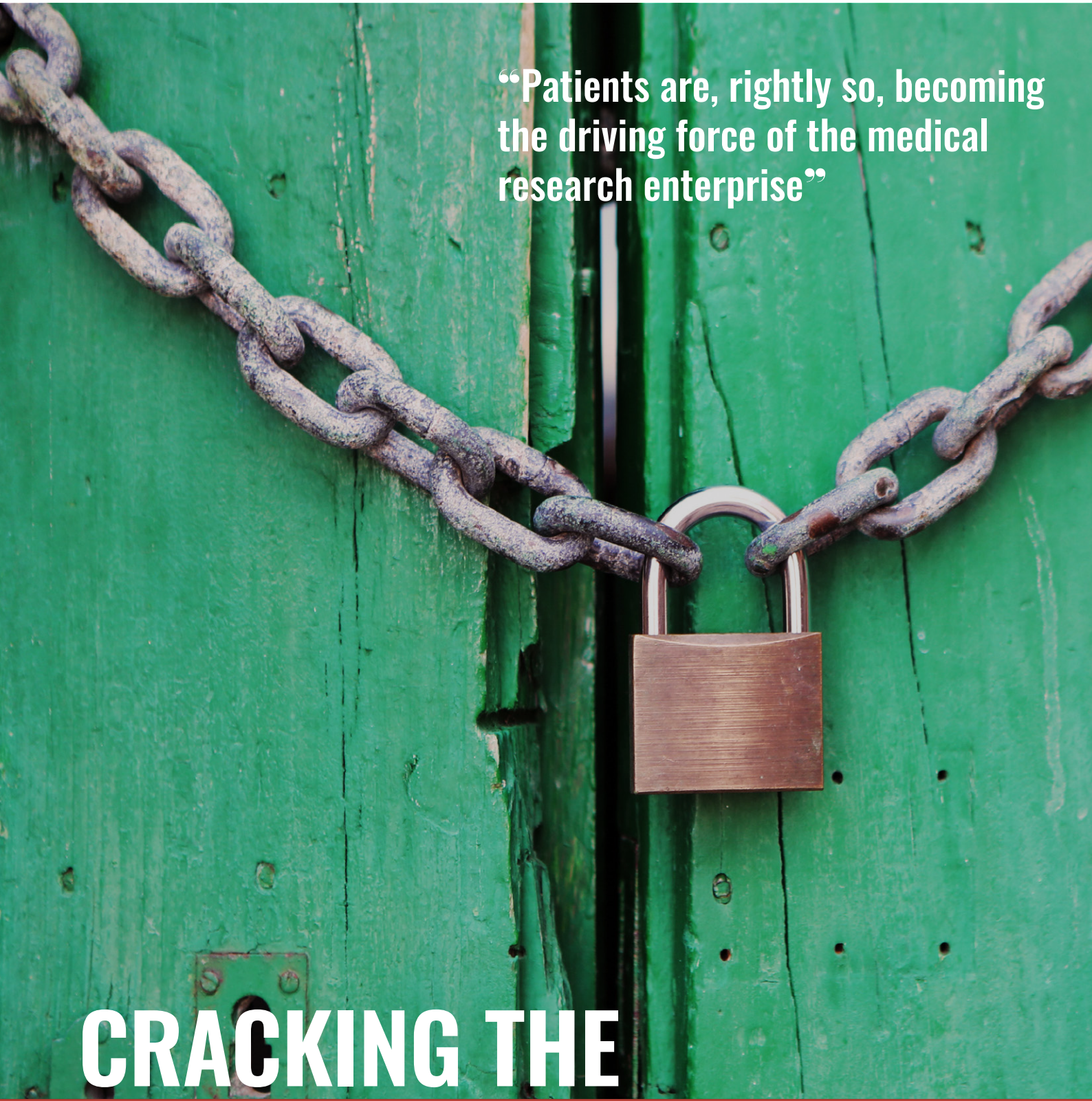
Source: Deloitte, 2017

COST

The cost of collecting and maintaining data from non-traditional sources such as patient groups, professional societies, and health care providers, is uncertain. If the process is not part of the regular course of doing business, investments may not be consistent or to the level required to obtain quality data. This is particularly true for organisations that may rely on government funding.

DATA LINKAGE RESTRICTIONS

When it comes to RWE, healthcare system fragmentation produces an incomplete picture of the patient. Linking various data sources (e.g., claims + EMR + patient-reported) provides a more accurate characterisation of the patient. Unfortunately, the current data vendor landscape can make it difficult to bring data assets together.



> "Patients are, rightly so, becoming the driving force of the medical research enterprise"

CRACKING THE PATIENT MORPH CODE

WORDS BY DANNY BUCKLAND

This is the Age of Patient Centricity, a landmark period where vital forces are sending seismic waves through healthcare and the pharmaceutical industry.

The imperative to provide patients with much more than a pill or a potion has accelerated from a feel-good extra to a core DNA requirement, which entwines medical, scientific, and technological advances with regulatory and commercial demands.

Healthcare technology is pulsing with innovation across clinical trials, data collection, and connectivity, enabling patients to have a more direct involvement and influence over the medicines that are developed for them.

The advantages are clear: targeted treatments and focussed delivery systems that drive adherence, reduce wastage, and generate a financial dividend for healthcare systems creaking under the strain of ageing populations weighed down with comorbidities.

But there are also huge challenges to the pharma industry, as it operates along a complex chain from drug discovery to launch and aftercare. Recalibrating operating systems and ingrained ideologies can be costly and time-consuming.

"Change will soon be about staying relevant to what the patient values. If they don't, they will be deselected or even outed by patients and their competitors may thrive"

Scott Gottlieb, Commissioner, Food and Drug Administration — the gatekeeper of the US healthcare system and a major global influence —has enshrined patient involvement in drug discovery guidance and stated earlier this year: "Patients are teaching us about the benefits that matter most to them and the risks that they are most concerned about. Patients are, rightly so, becoming the driving force of the medical research enterprise."

But the transition can be bumpy with experts pointing to patchwork adoption and internal resistance to fundamental change.

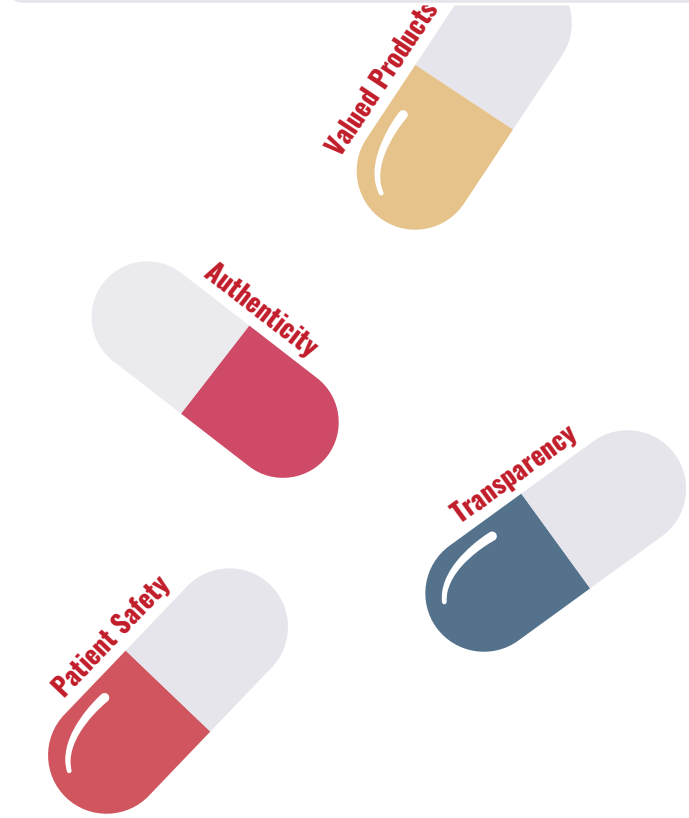
Many firms do not have agile mechanisms that work directly with patients, according to the Association of the British Pharmaceutical Industry (ABPI), which represents companies that supply more than 80% of branded medicines used by the NHS.

"Different companies do it different ways in development or in later stages and they have to find what works for them", says Dr Sheuli Porkess, Deputy Chief Scientific Officer, ABPI. "We hear that some practical aspects are challenging as some company processes don't necessarily work with patients; one example is as simple as being able to pay the train fare of a patient on a clinical trial who doesn't want to wait two months for reimbursement."

A recent PatientView study of pharma industry performances lauded improvements in patient-centric measures but drew cautioning reactions about the need to promote a deeper understanding and to have senior executives championing implementation in every department.

Source: PatientView, 2017

9 ATTRIBUTES THAT CONTRIBUTE TO ADOPTING A PATIENT-CENTRIC MINDSET



Craig Mills, Managing Director, Frontera, the London-based group specialising in patient behaviour, highlights that consumer mobilisation — exemplified by TripAdvisor's potency — has entered healthcare. "Change will soon be about staying relevant to what the patient values. If they don't, they will be deselected or even outed by patients and their competitors may thrive", he says.

Frontera's research has shown that 90% of patients want to play a more active role in their health, yet some pharma companies are still wrestling with how to quantify the benefits of patient centricity and connect the theme through different sectors of their business.

"Only now are companies taking a very public, more joined up approach to patient centricity and how this can improve the more holistic business performance", he adds. "But patient centricity cannot be the responsibility of just one division. It must penetrate all aspects."

The ABPI and the Association of Medical Research Charities recently held a conference for pharma companies to share and explore the "many benefits in establishing, managing, and growing partnerships that aim to benefit the patients sooner."

And the ABPI believes the industry can rise to the challenge and deliver new drugs and systems designed, in part, by the patient for the patient.

"Our companies want to develop medicines that make a difference and they are aware that the patient insights are so important", says Dr Porkess. "Their views differ from the scientist or clinician view and really help with the development of medicines that make a meaningful difference."

"This is an exciting opportunity to co-create medicines with patients. It is the way we need to be going and it is now about getting the practical aspects in place so that we are doing it in an appropriate and sensitive way."

The need for companies to understand how to make the most of the patient input across all elements of their business is the focus of PARADIGM, a collaboration of 34 public

> **"This is an exciting opportunity to co-create medicines with patients"**

and private partners. The 30-month project is designed to find ways to "...embed patient involvement in wider health systems' design and strengthening", according to Nicola Bedlington, Secretary General, European Patients' Forum.

save the date

2018 HBA ANNUAL CONFERENCE

5 & 6 November

Omni Shoreham Hotel | Washington, D.C.

The HBA is pleased to announce our initial program lineup

Monday, 5 November

PRE-CONFERENCE SEMINARS

50 is the New 30–How to Stay in the Game (or Get Back In) with Fawn Germer

Communicate with Influence with Stacey Hanke

Navigating Conflict and Tricky Conversations with Deborah Riegel

Five Powerful Lenses to Personal Development, Leadership and Teamwork with Christopher Lindberg

Tuesday, 6 November

CONFERENCE BREAKOUTS

Eight unique 60-minute sessions with issues running the spectrum from *Mission Critical: The First 100 Days in Your Leadership Role* to *Finding Your Mojo* and *Super Powers*

Closing Keynote Speaker

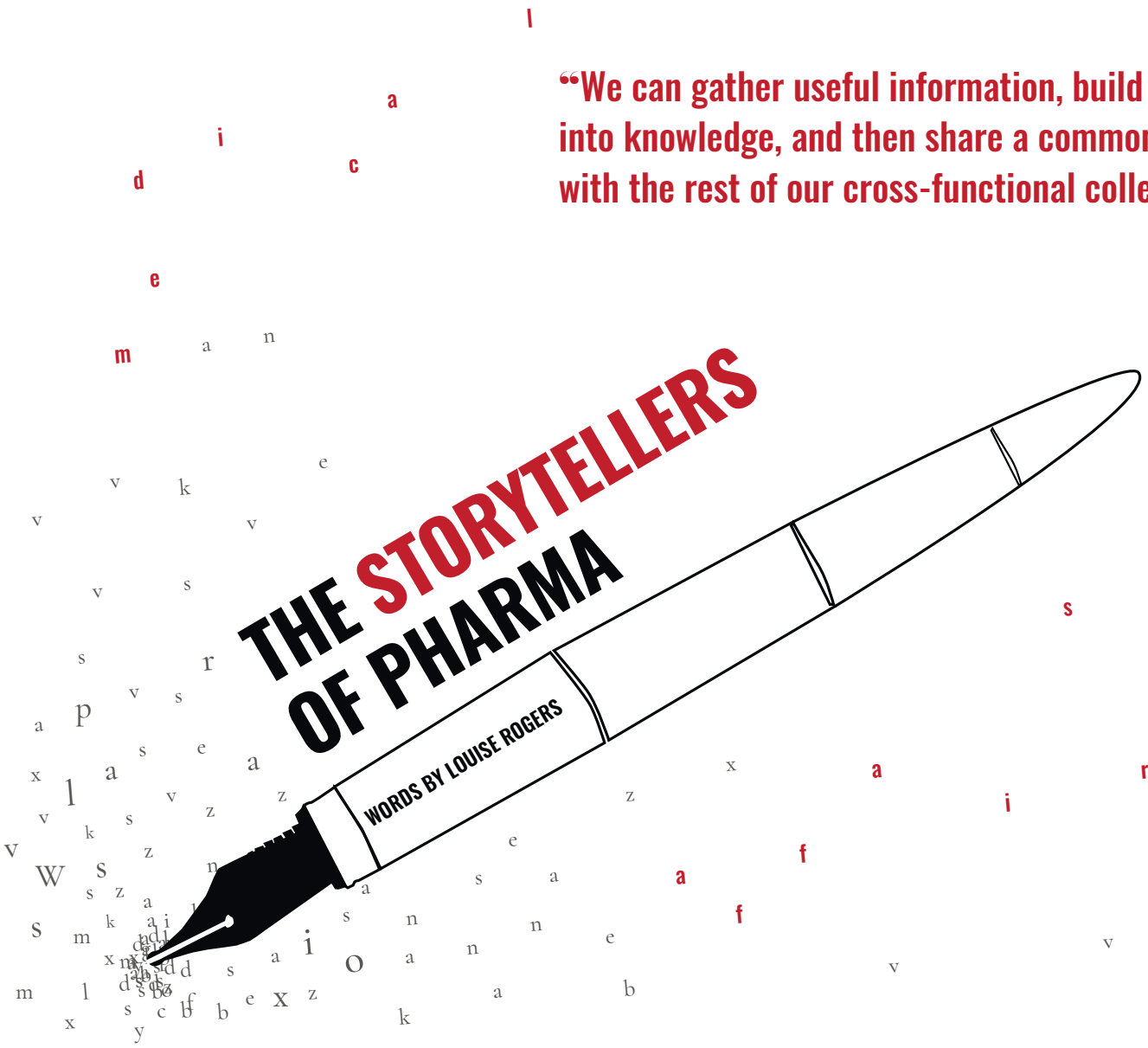
Lisa Bodell

An author and futurist who's convinced everyone has the power to innovate – if they simply know how. She's the founder and CEO of futurethink, an innovation research and training firm that's helped industry companies—like GE, Pfizer and Johnson & Johnson—eliminate barriers in order for them to innovate successfully. Come and learn from Lisa "Why Simple Wins."

Registration Opens 1 August.

HBAnet.org

HBA Healthcare Businesswomen's Association



"We can gather useful information, build that into knowledge, and then share a common story with the rest of our cross-functional colleagues"

Quality over quantity is a concept commonly associated with food, used to justify buying that palm-size cut of premium rib-eye, where the packaging relays how the beef was sourced from a grass-fed cow, allowed to roam free in the fields, and was not routinely subjected to various antibiotics. We pay that bit more for a bit less because the cow's story adds value. In recent years, pharma has attempted to harness this approach, and with value being the new volume, paying for just a drug doesn't quite 'foot the pill' anymore. "Doctors are asking: why should I prescribe this? Payers: why should I pay for this? And Regulators: why should I approve this?" says Eduardo Elorz, Oncology Global Medical Affairs Director, Eli Lilly (2015–May 2018). As humans, we are influenced by the memorable, so pharma needs to deliver the memorable and tell the unique story of their products.

The dexterity to extend multiple arms and accompany the product, physician, and patient throughout the entire lifecycle means that MA are uniquely positioned. "We can gather useful information, build that into knowledge, and then share a common story with the rest of our cross-functional colleagues", says Ian Greenway, MA Director, Complete HealthVizion. So how can MA best seize their role and become the Charles Dickens of healthcare?

Firstly, all good stories contain good content. We live in a data driven world; data sets the pharmaceutical scene and is needed to lay the foundations and ensure scientific integrity. "Participate in meetings with the clinical teams and gather data and insight. Then, understand that data so that you can share it with your regulatory and commercial colleagues", says Elorz. "You need to be asking the right questions to gain that deep insight", adds Greenway. "Be inquisitive with your healthcare providers so that you get a good situational analysis and really understand your target product profile."

Indeed, research undertaken by Medscape illustrates that physicians want to receive more than just 'data dumps'; they want to understand why the information is important to both them and the patient.

Therefore, it is crucial to consider the endpoints that matter most to patients when gathering data. Every story needs a good ending, and the only suitable ending for the tale woven by MA is a better patient outcome. However, as discussed at eyeforpharma, Barcelona, the industry needs to change direction from viewing survival as the last word. Patients don't want survival to title their final chapter; they want to write new ones, which improve their quality of life.

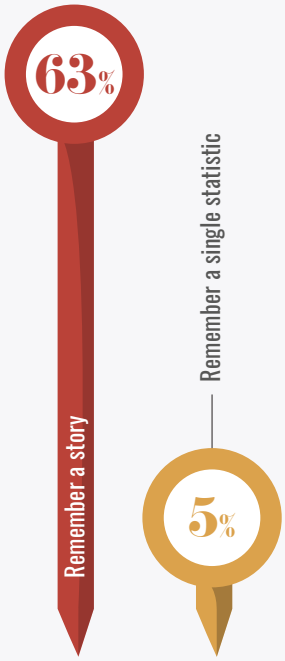
After content is gathered, a compelling narrative is formed when the data and patient anecdotes are aligned and told in a way that creates an emotional connection with the customer. "It's about making that correlation back to the impact that pharma can have on a life", explains Sital Kotecha, Medical Strategy Director, Europe, Veeva Systems.

To quote the Swiss film director Jean-Luc Godard: "Sometimes reality is too complex. Stories give it form." Data will not reach those intended if communicated in the wrong way. Fortunately, MA are perfectly positioned to draw together the fragments of information from various stakeholders and shape them into a tale that will sell itself.

"Be inquisitive with your healthcare providers so that you get a good situational analysis and really understand your target product profile"

DID YOU KNOW?

A study by Professor Chip Heath, Stanford University, found that 63% of individuals remember a story, while only 5% remember a single statistic.



Case study: Researchers tested two variations of a 'Save the Children' charity leaflet. The leaflet that communicated a story outperformed the infographic leaflet by $2.38 to $1.14, with regard to donation/individual.

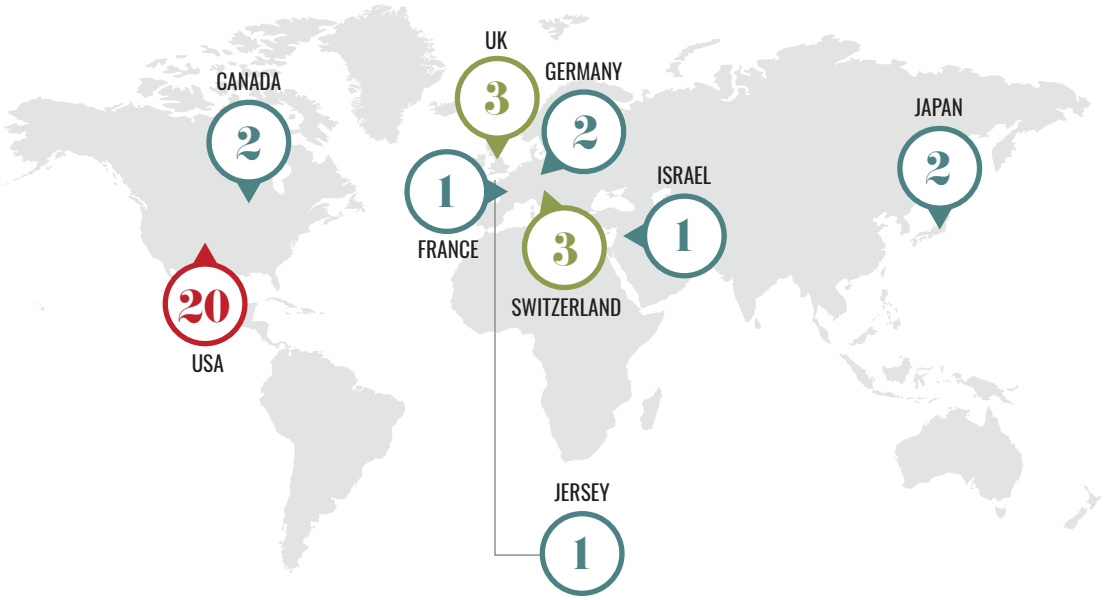
Leaflet with story

Leaflet with infographic

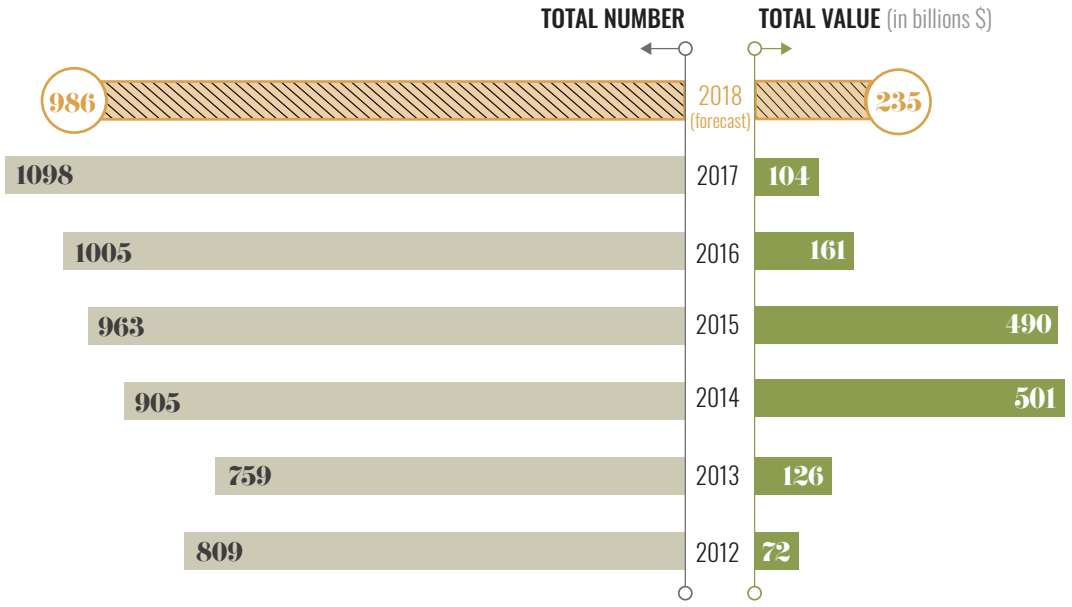
Source: Parento Fundraising, 2017

G. PHARMA
MERGERS & ACQUISITIONS

Number of M&As by country of origin (based on the top 5 M&As 2012–2018)



Total value and numbers of M&As in biotechnology & pharmaceuticals 2012–2018



Source: The Institute for Mergers, Acquisitions and Alliances (IMAA)

Top 5 M&As 2012–2018

1. 2018 (jan-june)
   TAKEDA *
   62
   SHIRE
2. **GLAXOSMITHKLINE**
   13
   NOVARTIS CONSUMER HEALTHCARE
3. **SANOFI**
   11.6
   BIOVERATIV
4. **CELGENE**
   9
   JUNO THERAPEUTICS
5. **NOVARTIS**
   8.7
   AVEXIS

*Please note that it was recently reported that a group of Takeda's shareholders are uniting together to block the deal, though they will need support from at least 33% of the shareholders to achieve this.

(in billions $)

ACQUIRER
PRICE
TARGET

2017	2016	2015	2014	2013	2012
JOHNSON & JOHNSON	SHIRE	ACTAVIS	ACTAVIS	AMGEN	JOHNSON & JOHNSON
30	32	66	25	10.4	19.3
ACTELION	BAXALTA	ALLERGAN	FOREST LABORATORIES	ONYX PHARMACEUTICALS	SYNTHES
GILEAD SCIENCES	PFIZER	TEVA	NOVARTIS	VALEANT	GILEAD SCIENCES
11.9	14	40.5	16	8.7	11.2
KITE PHARMA	MEDIVATION	ACTAVIS	GSK ONCOLOGY	BAUSCH & LOMB	PHARMASSET
AMNEAL PHARMACEUTICALS LLC	MYLAN	ABBVIE	BAYER	PERRIGO COMPANY	WATSON PHARMACEUTICALS
8.7	7.2	21	14.2	8.6	5.9
IMPAX LABORATORIES	MEDA	PHARMACYCLICS	MERCK & CO CONSUMER CARE BUSINESS	ELAN CORPORATION	ACTAVIS GROUP
TAKEDA	ABBVIE	PFIZER	MERCK & CO	ACTAVIS	BRISTOL MYERS SQUIBB
5.2	5.8	17	8.4	8.5	5.3
ARIAD PHARMACEUTICALS	STEMCENTRX	HOSPIRA	CUBIST PHARMACEUTICALS	WARNER CHILCOTT	AMYLIN PHARMA
FRESENIUS KABI	PFIZER	VALEANT	ROCHE	ASTRAZENECA	GLAXOSMITHKLINE
4.3	5.2	11	8.3	4.3	3.6
AKORN	ANACOR PHARMACEUTICALS	SALIX PHARMACEUTICALS	INTERMUNE	BRISTOL-MYERS SQUIBB, DIABETES ALLIANCE	HUMAN GENOME SCIENCES

DIGITAL REQUEST

WORDS BY MARTIN BARROW

The future of the pharmaceutical industry is as tied up with digital transformation as it is with having a pipeline of promising new drugs. Digital is transforming the way the world does business and pharma is no exception. Many of the top companies have chief digital officers, supported by digital specialists in senior management positions, and billions of pounds are being invested in digital strategies.

Yet the perception is that pharma is falling behind the digital curve, particularly when compared to other industries. "Most pharmaceutical companies we work with recognise that digital technologies can drive transformation and growth, but many aren't yet realising this potential", said Yen-Sze Soon, Managing Director, Accenture.

What's going wrong? According to McKinsey's 'Closing the digital gap in pharma' report, too many pharma companies align on their strategy first and treat digital engagement as an aspect of execution, rather than as a central consideration in strategic planning. Digital initiatives are sidelined, instead of being utilised to enable effective connections with patients and doctors. Successful engagement starts first with developing a deep understanding of how patients and doctors want to interact and then designing ways to engage that fit those preferences.

Patient communication is a good starting point. Digitisation promises obvious improvements to the typical patient journey. From the healthcare provider's point of view, the visit, diagnosis, treatment selection, and condition management stages are all points where the patient could be more involved and better informed. Patient portals, apps, and online communities are increasingly commonplace. The second and third generations of this technology should help improve the patient experience.

"Digital initiatives are sidelined, instead of being utilised to enable effective connections with patients and doctors"

DIGITAL STATS

By 2022, the adoption of digital tools in clinical trials is expected to rise by

Source: Validic, 2016

4.2 billion $

invested in digital health in 2016

341 million $

invested by analytic and big data companies

over..

22 deals

2X more than from 2015

Source: Rock Health , 2017

To succeed, pharma companies will need to think more about providing services, not just drugs. While drugs are vital in treating many conditions and diseases, there is much more for the patient and doctor to consider, such as lifestyle advice and emotional support. Pharma companies have always engaged with the end consumer but digital technology ultimately promises much greater scale. For example, Novartis and AstraZeneca both provide coaching services for patients recovering from a heart attack, combining digital content and one-to-one coaching.

Digital technologies, such as cognitive computing and connected devices, are revolutionising R&D in pharma, dramatically impacting the speed and economics of the process. The availability of data on an individual's genotype, environment, or lifestyle, combined with advanced technologies, such as genomics, data analytics, and improved modelling, allow for faster discovery of drugs, as well as better prediction of the efficacy and safety of different treatment alternatives for specific patients.

Digitisation of pharmaceutical treatments also changes the commercial and sales process. Doctors and other healthcare providers no longer spend time with sales representatives to learn about new products. They find this information online. Sales has now become a far more complex process of engaging with decision-making committees focused on price and patient outcomes. Increasingly, pharma companies are using digital technology (both customer-facing and back-of-house) to provide this. Customer relationship management systems can achieve a single customer view, and digital communication channels can provide access to samples and resources for healthcare professionals and for patients.

R&D can be improved by bringing real-time technology to bear on clinical trials, and the supply chain could benefit from better sales and operations planning. This should bring better productivity, inventory levels, and service levels.

The proliferation of health analytics solutions has implications for drug development, too. Manufacturers will have access to significantly more real-world data and this will undoubtedly help with understanding the effects of a drug. Not only will drug discovery increasingly be aided by digital technology in predicting successful drugs but so too will the monitoring of drug use.

> **"Pharma companies will need to think more about providing services, not just drugs"**

Significantly, two of the biggest pharma companies looked outside the pharma industry to recruit executives to senior digital roles. GlaxoSmithKline recruited Karenann Terrell from Walmart and Novartis hired Bertrand Bodson from Argos.

Mr Bodson says digital represents "one of the most important and disruptive challenges in the years to come." Ms Terrell sees artificial intelligence as a huge business opportunity for healthcare and pharma. She says: "Along with R&D, our regulated manufacturing and supply chain will benefit from AI simplifying high levels of complexity with solutions that target the highest areas of reducing risk and improving quality."

The pharma industry has always been conservative by nature. This is being challenged by digitisation, which requires change to take place over months or even weeks, rather than years. The prize for fully embracing a digital future will be great, for pharma and for patients. Getting it wrong would be calamitous for some of the industry's biggest names.

CATALYSTS OF PHARMA

ULRICH BETZ

INNOVATION IS THE ABILITY TO TRANSFORM IDEAS INTO INVOICES

Resident of Darmstadt, Germany, home to Merck KGaA headquarters, Ulrich Betz heads up the Innovation Incubator department and is Vice President of Innovation.

We spoke to UIrich at this year's eyeforpharma, Barcelona, to discuss the transformation of R&D and how pharma can start harnessing the power of technology to deliver innovative solutions and genuine results.

You have 20 years of experience in the pharmaceuticals industry. Can you tell me about the evolution of R&D since you began?

When I initially started working in the pharma industry, there was a lot of hype around genomics. The human genome was just about to be fully sequenced, and there was this enthusiasm in R&D to find out what this meant for drug discovery. The industry thought they had discovered a breakthrough innovation engine – the industrialisation of drug discovery – with the promise of rapidly creating new drugs for all the new therapeutic targets discovered in the genome through running thousands of high throughput screenings. There was also a 'patent boom' for these potential new drug targets; sometimes patents were even written automatically overnight and submitted on a daily basis.

However, despite these advances, the complexity of the human physiological system was greatly underestimated. Even today, we do not fully understand the exact mechanisms of action of many drugs, even established therapies.

Your talk at eyeforpharma, Barcelona focussed on how innovation and technology are the future of pharma. Could you give me your insight on artificial intelligence (AI), real-world evidence, and new clinical trial models regarding drug development?

The question we have to ask is: "Is it really different this time?" There are always reasons to believe that this time it is different – and yes, perhaps we will see exponential progress in AI soon. Regarding AI, I think the big question is, how long will it take to see its full potential in the real world? I believe the role of AI is currently over-hyped, often by consultants who don't necessarily have hands-on experience with how the technology really works. When you speak to tech researchers about AI, interestingly they do not seem as confident in its ability as someone in the commercial world.

That being said, I am a believer in cognitive computing; however, I am unsure whether the impact of AI will really materialise as predicted in the next 5 years or so. Real-world evidence is revolutionary in going beyond the traditional clinical trial model and has been empowered by the digital revolution. It is one of the most important game changers and the pharma industry needs to be utilising real-world evidence from the R&D process for marketing and patient engagement.

Then the third point you mentioned - new clinical trial models are a lot more flexible, which saves on time of drugs being delivered to market; some drugs are now being approved after Phase I trials. There are also discussions around staggered approvals instead of one launch date.

Do you think it will be difficult for a traditional and heavily regulated industry to consider adopting new technologies?

Certainly, pharma is a heavily regulated industry, but this also protects us to a certain extent from new entrants. Regulators need to be presented with sufficient content and knowledge, giving larger, more experienced and established pharma companies an advantage. Regulators are becoming more flexible, for example we have fast-track approvals now. That said, it will be a challenge for the innovations department if the strong regulatory burden continues and restricts progression in tech and innovation. The progress in computers, electronics, and communications has been a lot faster than the progress of medicine, and I imagine it will continue to be so.

It helps that we get collaboration from both pharma and the regulators, and in addition we are getting collaboration from patients to support progress with innovative drugs. An example is a drug for multiple sclerosis from Merck that wasn't initially approved; however, after getting more data and support from patients, the drug was finally approved.

In a department where success isn't solely measured by revenue, how do you effectively measure return from pharma innovation?

I like the saying: "Innovation is the ability to transform ideas into invoices." That said, it's hard to convince people to invest in your department if your only KPI is measured 10 years down the line. As a result, we have earlier KPIs along the timeline that do not necessarily measure revenue. These include internal customer feedback, the number and quality of ideas produced, the papers published, the number of patents that are submitted, and stage gate advancements in the pipeline. I must say I am not the biggest supporter of measuring the success of innovation this way because very often it comes down to one breakthrough idea that will pay for years and years of trial and error.

"No matter what you do or how much money you have, time is a non-renewable resource"

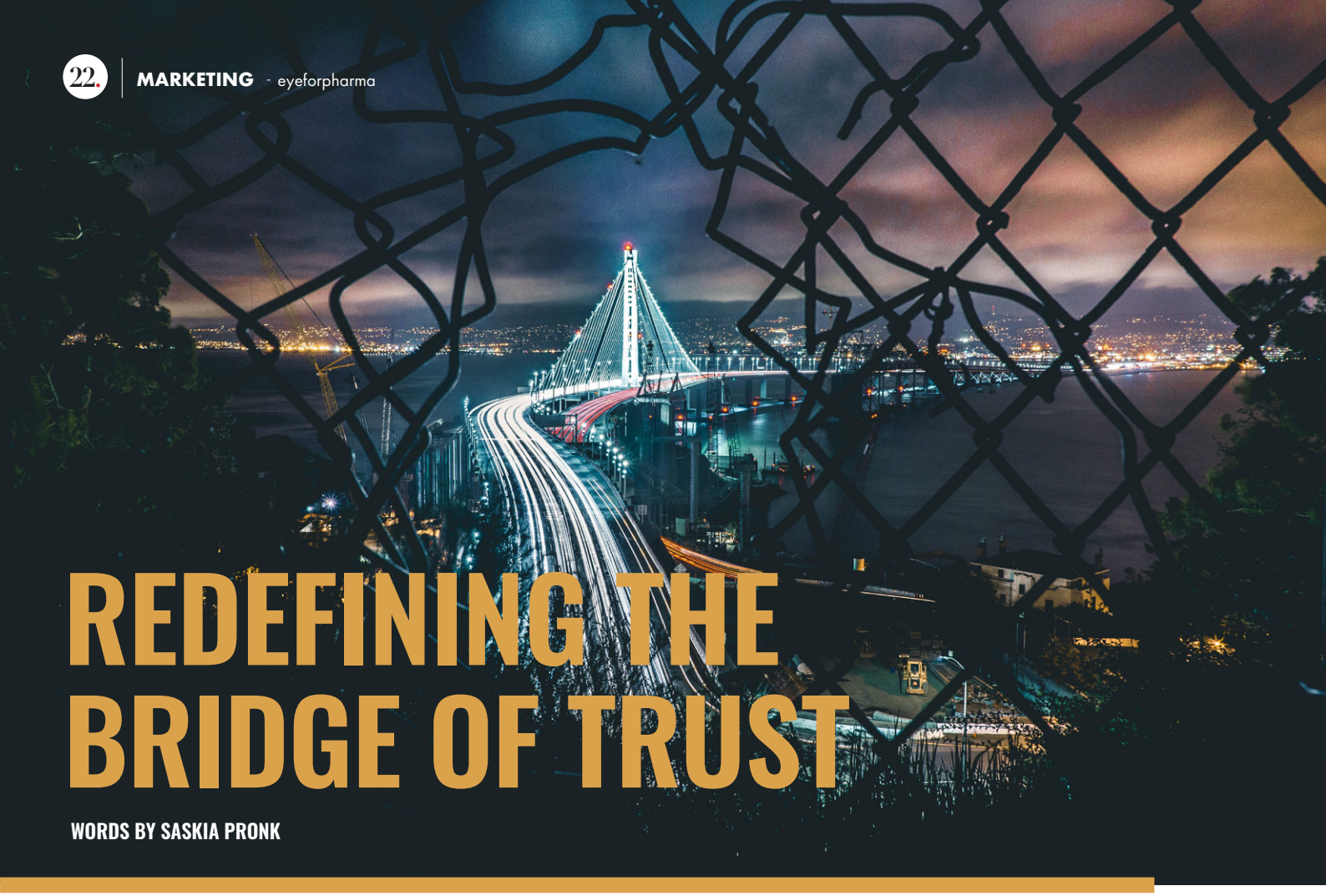
As the founder of the Merck Innovation Cup, you evidently have a passion for educating and inspiring innovation in individuals who are starting out in their career. If you could give any advice to a younger you, what would it be?

My first piece of advice would be to not underestimate the power of networking. We are all still cavemen and cavewomen deep in our hearts, and we still rely on personal connections. Over years, I've realised an important question to ask yourself: "Who can I really trust?", and the people that you can trust are those who will go through the fire with you, if necessary, to see a certain project through to completion. You need a supportive network to make an idea reality and fresh ideas flowing from people in different networks and industries.

The second piece of advice I would give is to avoid time thieves. The time we are given in life is limited and precious. No matter what you do or how much money you have, time is a non-renewable resource.

Thirdly, pay attention and focus on what stays. In companies we often see a trend one month, which is then replaced with another the month after. Be selective and careful with what you spend your time on. Choose to spend your time on something that you really believe adds value to your mission.

To read the full interview visit emg-gold.com click here



REDEFINING THE BRIDGE OF TRUST

WORDS BY SASKIA PRONK

Trust – a word often at the forefront of the pharmaceutical agenda. But can a patient truly trust a monolithic, faceless organisation where executives' salaries collectively total hundreds of millions each year? In short: no. Trust is not that simple though. So, rather than driving over the same tired old bridge, buckling under the weight of existing competitors and stakeholders clamouring for attention, build a new bridge of trust.

The pharma industry's ability to become a trusted go-to source ignited discussion at eyeforpharma, Barcelona, with claims that the foundations required for a new bridge of trust already exist at the heart of organisations. Nathalie Moll, Director General, EFPIA, explains: "Previously when working in biotech, we'd all wonder why pharma are so self-critical about their reputation; there is no doubt that it is the best industry in the world – they help people get better."

However, these foundations have been somewhat obscured by the seeming juxtaposition of pharma: alongside life-saving therapies, we have the inevitable tensions of an industry that creates billions in shareholder value. Trusting, or having faith, in this high-stakes environment isn't akin and can't be compared to those everyday instances where trust is mentioned – e.g., I trust my alarm will go off or I trust this email finds you well. Andrin Oswald, Director of Life Sciences Partnerships, Global Health, Gates Foundation, emphasises this by asking: "What is trust in a company? And can I really trust a company when it is the life of my child?"

Patient groups who see the pharma industry's corporate reputation as "Excellent" or "Good" (2017)

UNITED KINGDOM
28.6%

WORLD
42.9%

Source: PatientView, 2018

"Alongside life-saving therapies, we have the inevitable tensions of an industry that creates billions in shareholder value"

Existing in this reality, the industry must consequently focus on what it can do to gain stakeholder confidence, which includes getting patients to view your company through the prism of its core, and laudable goal of 'We make people's lives better'. To achieve this, the industry must rebuild from the bottom of the pyramid of trust. Moll suggests: "We must show our faces... as to trust something, you must know it and like it – but you must begin with knowledge." This straightforward communication is often forgotten as companies have a habit of becoming trapped in a vortex of pricing conversations which overshadow their cutting-edge innovations.

Currently, the industry's communication attempts are becoming more and more cloned every day. "Dedicating statements come from every company and they fall flat mostly, because they are not convincing enough in walking the talk", explains Markus Leyck Dieken, Former SVP Global Head of CNS, TEVA. Therefore, companies must embark on something new to express and differentiate themselves.

"We must show our faces... as to trust something, you must know it and like it – but you must begin with knowledge"

The most effective way to refresh an established workforce and reinvent trust-building communication practices is through the acquisition of new staff, specifically, those who embrace your core goals. "We must actively recruit people who'll teach us the means to express how dedicated we really are", states Dieken. Bringing in fresh talent will help update and reinvent processes and thus, oblige the diffusion of contact between your company and patients to reach that credibility within.

The discussion at eyeforpharma concludes with belief that there will be a race of talent and innovation as a result of these new recruits. This is because having individuals who appreciate the complex landscape of pharma, live its core goal, and know how to effectively communicate it, will prove indispensable in developing a unique and stable framework for the new bridge of trust. And eventually, patients and other stakeholders won't need to be told, they will just come across the bridge to you.

COMPANIES WITH THE BEST CORPORATE REPUTATION AMONG PATIENT GROUPS IN 2017

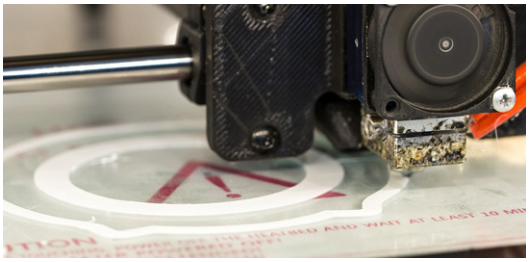
	2017	Difference	2016
ViiV Healthcare	1	0	1
AbbVie	2	0	2
Gilead	3	+2	5
Novartis	4	– 1	3
Janssen	5	+2	7
Roche	6	+2	8
Lundbeck	7	+1	8
UCB	8	+3	11
Novo Nordisk	9	–5	4
Pfizer	10	+2	12
GSK	11	+2	13
Eli Lilly	12	+5	17
Eisai	13	+3	16
Celgene	14	0	14
Sanofi	15	+3	18

Source: PatientView, 2018

SPOON FULL OF TECH

3D CELL MODELLING

Being able to visualise the workings of a living cell in real-time and how exactly it responds to specific diseases in the body remains a challenge. Even though advancements have been made in microscopy and cellular staining, these resources offer limited information. Now, researchers at the Allen Institute for Artificial Intelligence have constructed, and made freely available, the first 3D model of a human hiPSC — making it possible to visualise how all the components of a cell interact. This democratising cell biology tool will enable researchers to look at the effects of cancer and other diseases on a cell. In addition, by feeding the technology with pre-existing data and images of cancerous cells, for example, they will be able to determine how individual components of the cell are affected and make advancements in tailoring treatment to individual cases.

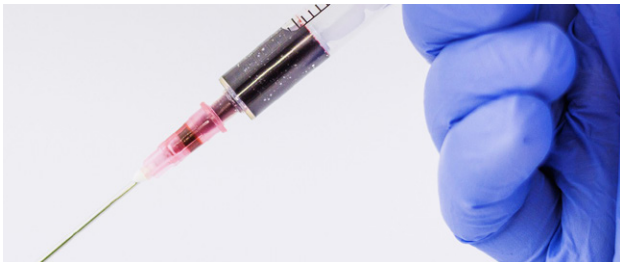


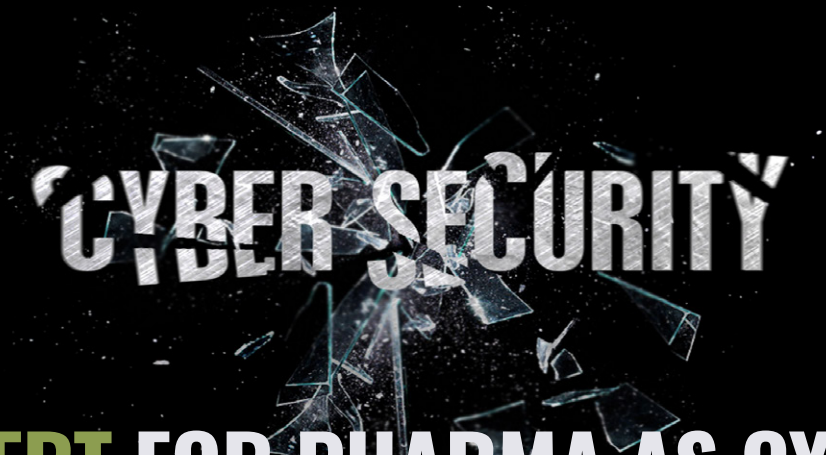
DO-IT-YOURSELF CRISPR KIT

The biotech company, Mammoth Biosciences, is aiming to bring CRISPR out of the lab and into the everyday home with its DIY diagnosis kit. CRISPR is most famously known as a gene-editing tool; however, at its core, it really is "biology's search engine", said Trevor Martin, CEO, Mammoth Biosciences, in an interview. By testing a sample of a subject's blood, urine, or saliva, the CRISPR kit enables detection of specific sequences of DNA or RNA that are likely to indicate the presence of a specific disease. If picked up commercially, the product could replace the current home diagnosis kit of Google and save many individuals from worrying about the multitude of diseases they self-diagnose with on the internet.

PAINLESS MICRONEEDLE INJECTION

It will come as good news to those who have a fear of needles that a team from the University of Texas at Dallas have developed 3D biodegradable microneedles for transdermal small molecule drug delivery. The needles, with tips as small as 1 µm (to put that into perspective, the width of a single human hair ranges from 10–200 µm), are fabricated by fused deposition modelling with polylactic acid, a renewable, biodegradable, thermoplastic material that causes the needles to break off after breaching the skin and enables the substance to be released over time. The revolutionary construction method of 3D printing continues to produce healthcare products of leading calibre. Watch this dimension!





HIGH ALERT FOR PHARMA AS CYBER GANGS TARGET PATIENT DATA

WORDS BY DANNY BUCKLAND

The pharmaceutical industry has emerged as a prime target for cyber attackers, as its landscape is riddled with vulnerabilities that entice challenges from organised crime and opportunists. Pharma is awash with M&As, where contact between big companies and smaller start-ups, jostling for attention and investment, can expose security flaws.

Reports of data breaches and cyber incursions — to either steal valuable intellectual property, extort money, or just to disrupt — are growing and hit the headlines with the WannaCry attack across 150 countries in May 2017, which paralysed hospitals and disrupted one-third of NHS Trusts in England. The main prizes are patient data from clinical trials, which can be sold on the dark web to facilitate identity fraud, and trade secrets on drugs in development.

A report from analysts Deloitte recorded that 20% of pharma companies had been attacked between seven and 15 times, while health insurers, who also hold patient data, have come under increasing assault. "Life sciences is among the most threatened industries and needs to step up to this growing challenge", its Cyber Risk in Life Sciences M&A report stated. "This is an industry built on innovation that has all the characteristics to make it highly attractive for cyber attackers: high revenues, extensive spend on R&D and operations, highly sensitive intellectual property, trade secrets, and an almost total reliance on the underpinning technology to run the business."

The weak points are increasingly being identified as the interactions between larger firms, which have robust protection, and smaller companies that concentrate their finances on innovation and discovery rather than lock-tight IT systems. Their inherent high exposure to risk makes them first-time targets as well as having a secondary jeopardy when they connect with big pharma.

"The main prizes are patient data from clinical trials, which can be sold on the dark web to facilitate identity fraud"

Companies are being advised to follow the National Cyber Security Centre's 10 Steps to Cyber Security plan, which has practical advice on how to close chinks in IT's armour. Experts also advise companies to have regular risk assessments, a framework of accountability, and establish a cyber security incident response protocol.

"By taking the appropriate steps and giving this the attention it needs during the M&A process, organisations can manage the cyber risk effectively", the Deloitte report concludes. "Equally, if this isn't given the right level of attention, it may just be a matter of time before senior executives get that dreaded phone call!"

CYBER ATTACKS

150
countries were affected by the WannaCry cyber attack in May 2017

80
NHS trusts were affected by the WannaCry attack

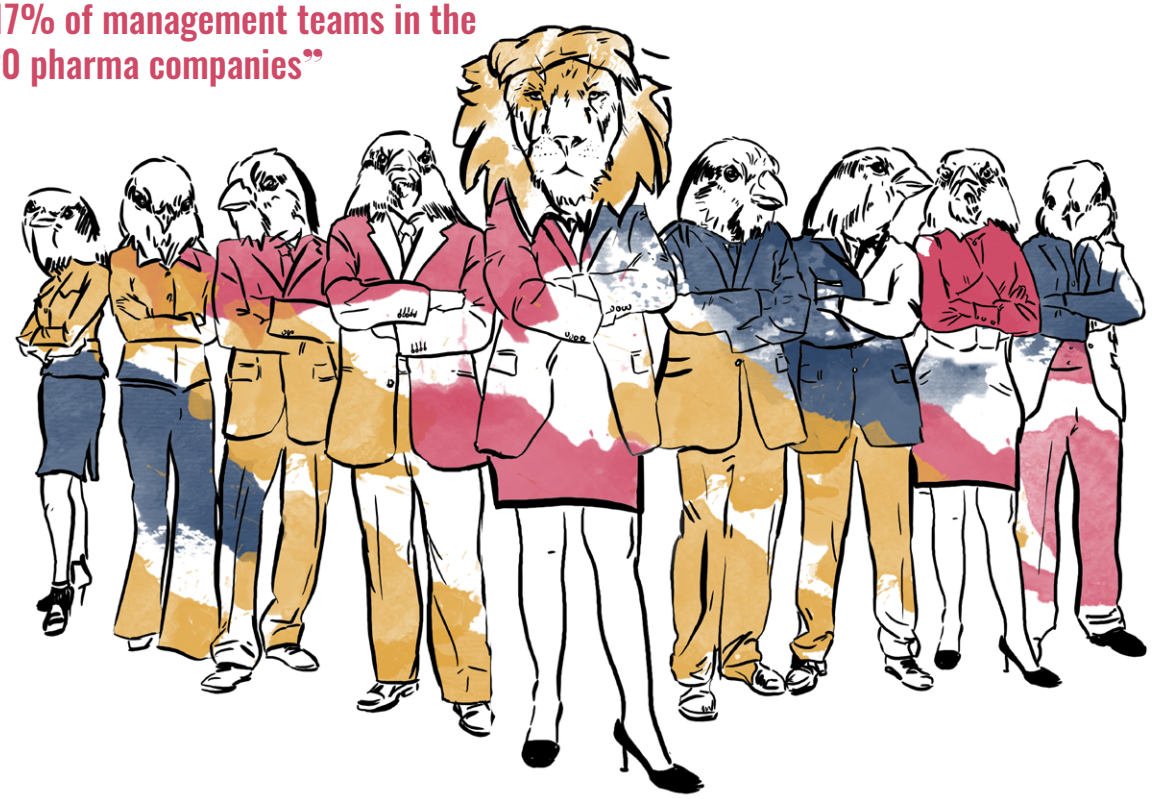
Source: NHS England, 2018

of pharma companies had been attacked between

7 & 15X

Source: Deloitte, 2018

"Senior female executives still represent just 17% of management teams in the top 20 pharma companies"



OPINION

THE STATE OF GENDER PARITY IN BIOPHARMA

- AND HOW WE CAN GET FURTHER, FASTER

LAURIE P. COOKE
President and CEO
Healthcare Businesswomen's Association

In 2017, the biopharmaceutical industry reached a gender parity milestone when GlaxoSmithKline's Emma Walmsley became the first female CEO to head a major pharmaceutical company. Yet, senior female executives still represent just 17% of management teams in the top 20 pharma companies (as ranked by sales). At the current pace of change, the World Economic Forum in its Global Gender Gap Report 2017, estimates that it will take 100 years to achieve global gender parity in the workplace. Unfortunately, this is even longer than the 83 years estimated in the 2016 report.

Many biopharma business leaders, including the partners of the HBA's Gender Parity Collaborative, have recognised that we must do more to dramatically speed up the pace of progress. Achieving gender parity will not only ensure that women can realise their full potential as leaders but it will also allow organisations to leverage the benefits of diversity and inclusion (D&I). This will enable women to realise their full potential in overcoming today's biggest healthcare challenges while meeting the industry's biggest opportunities.

Gender parity is not a female issue; it's a business opportunity. Evidence shows that companies perform better when they have greater diversity

> **"Women make more than 80% of healthcare decisions, they can offer critical perspectives and ideas for optimally engaging with customers"**

in leadership positions. In fact, McKinsey & Company's 2018 study, Delivering through Diversity, has reinforced their previous findings that gender diversity on executive teams correlates with both short-term profitability and long-term value creation.

Successfully integrating D&I starts with a commitment at the very top. This means tying diversity goals to senior executives' compensation. It means creating diversity councils, led by senior executives, in order to develop incentives that encourage a rich and diverse talent pipeline and create opportunities for all employees to have a voice. Also, it means ensuring the organisation's CEO is both personally connected to and actively engaged in D&I initiatives.

From here, D&I must be woven into the fabric of the organisation at every level. This will create a foundation of D&I principles that can be rigorously integrated into people, philosophies, policies, practices, and procedures that build trust. The progress of principle integration should then be measured and reported on to gauge its impact.

An inclusive culture generates new ways of thinking and promotes cross-pollination of ideas. To harness this innovation, companies can bring cross-sections of employees together through internal think tanks. Then, task these employees with tackling specific business opportunities and provide them with insights to inform recruitment and retention, customer outreach, strategy, and more.

Considering 80% of healthcare decisions are executed by women, critical perspectives and ideas for optimal engagement are ever-present. Therefore, biopharma companies stand to gain much from the insights of their female leaders and employees.

With a firm foundation of measurable principles, consistent support, engagement from the top, and avenues for leveraging innovative thinking, biopharma companies can make D&I a widely accepted norm that benefits both their employees and their business.

Visit www.HBAnet.org to learn more about the state of gender parity and how you can get involved in speeding the pace of progress.

10 BEST PRACTICES FOR COMPANIES TO ACHIEVE GENDER PARITY

1. MAKE D&I ESSENTIAL TO GLOBAL STRATEGY
2. TAILOR GLOBAL D&I INITIATIVES TO FIT LOCAL NEEDS
3. EMBED D&I INTO YOUR ORGANISATION'S DNA
4. BUILD EXTERNAL PARTNERSHIPS TO MULTIPLY IMPACT
5. MAXIMIZE THE ROLE OF EMPLOYEE RESOURCE GROUPS (ERGS)
6. MAXIMIZE THE ROLE OF DIVERSITY COUNCILS (DCS)—BOTH GLOBALLY AND LOCALLY
7. LEVERAGE D&I FOR INNOVATION AND NEW THINKING
8. LEVERAGE D&I FOR BUSINESS DEVELOPMENT
9. ENGAGE YOUR CEO
10. RECOGNISE, DOCUMENT, AND SHARE BEST PRACTICES

Source: HBA

REACHING PHARMA STAKEHOLDERS

WORDS BY JOHN ILLMAN

HOW SHOULD PHARMACEUTICAL MARKETING TEAMS ENGAGE WITH STAKEHOLDERS?

'Chatbots', which simulate human conversation via voice commands or text chats, are an increasingly popular way to reach patients and physicians. Grand View Research estimates that the global chatbot market will be valued at $1.23 billion by 2025, with a 24.3% compounded annual growth rate. Siva Nadarajah, of IQVIA, the human data science company, predicted at eyeforpharma, Barcelona, 2018, that chatbots would account for 85% of interactions between pharma companies and doctors by 2020.

This May, the Your.MD chatbot developers announced a strategic partnership with BMJ Best Practice. Ranked as one of the world's best clinical decision support tools, the BMJ offshoot is validating Your.MD's artificial intelligence (AI) platform for doctors and patients. Other health chatbots include Sensely, Buoy Health, Infermedica, and Florence.

Sharon Cooper, Chief Digital Officer, BMJ, says: "I expect AI to play an essential role in delivering healthcare, but the challenges in ensuring a safe, trusted service are not to be underestimated."

Orchestrated customer engagement (OCE) — a response to the end of the blockbuster era — was also a big talking point in Barcelona. Big blockbuster budgets resulted in brand teams in silos bombarding payers and prescribers with a mass of conflicting messages and irritating contact. A UK survey of senior doctors report that 17 people from the same pharma company have been in touch with one respondent within a month.

OCE comprises strategic IT systems designed to ensure consistency of messages across multiple channels — much like a conductor harmonising strings, brass, woodwind, and percussion.

"Big blockbuster budgets resulted in brand teams in silos bombarding payers and prescribers with a mass of conflicting messages"

“Media training can help to identify good spokespeople and — just as importantly — inappropriate ones”

BUSINESS PARTNER AND SUPPLIER ENGAGEMENT

Roche is renowned as a leader in the field. Severin Schwan, CEO, Roche said: “One of Roche’s strengths has always been the linking of internal and external innovation. This is absolutely vital since 99% of the scientific progress occurs outside Roche. Rather than pretending we know everything better we listen to our external partners.”

In 2017, Roche held 10 supplier days throughout the world. In 2015, the pharmaceutical division built an Innovation Centre of Excellence to collaborate with key suppliers on innovation — it also conducted more than 1,000 audits of global and local suppliers and service providers.

MEDIA ENGAGEMENT

Selecting good media spokespeople can be really challenging. The most senior person in a team is not necessarily the best.

Media training can help to identify good spokespeople and —just as importantly — inappropriate ones. For example, after one media training programme, a charming, charismatic surgeon commented: “I’m used to being in control. I don’t feel in control in front of that camera.”

Try as he might — and he tried very hard — he could not exorcise the ‘control demon’. This was actually a positive outcome. He demonstrated in a confidential setting that the media were not for him — much better there than in the unforgiving glare of live television. Anyone working with the media should be warned that it involves a degree of loss of professional control. They will have to put themselves in the media’s hands.

Good spokespeople also recognise the need to prepare for media interviews. Being a world authority on a subject may not be enough without appropriate media-specific preparation — a lesson that many have found out when what should have been a public relations opportunity became a disaster. It is critical to recognise that medicine and the media have disparate standards and take this into account when preparing.

Conversely, it is also vital to recognise that the media are always not out ‘to get’ the industry or healthcare professionals, though there are times when they should and do, times when they should but don’t, and times when they shouldn’t but do.

1.23
billion $

global chatbot market worth by 2025

24.3%

compounded annual growth rate

Source: Grand View Research

85%

of interactions between pharma companies and doctors by 2020 will be through chatbots

Source: IQIVA, 2018

> "Regulatory compliance mandates the existence of a firewall between medical affairs and marketing"

AN AFFAIR TO REMEMBER

WORDS BY LOUISE ROGERS

The co-ordinated union of medical affairs and marketing has been in the pipeline ever since the changing regulatory landscape mandated parity between education and commercialism. However, walking hand-in-hand has proven to be more than a leisurely stroll in the park and in some companies the two divisions continue to have a relationship status of: it's complicated. Why is it that pharma fails to execute an effective strategy in aligning the two, hindering the delivery of a single synchronised brand vision?

"The main issue leading to the lack of alignment between MA and marketing is when the role of MA is poorly defined and understood", explains Gail Cawkwell, Senior VP, MA, Intercept Pharmaceuticals and Executive Leader Committee Member, MAPS. "In these situations, the rest of the organisation (marketing in particular), doesn't have a clear vision of what the department does and the value it brings, which can result in a lack of true belief among leadership." Regulatory compliance mandates the existence of a firewall between MA and marketing, but has this been built at the price of stonewalled communication between the two? With no rigid requirements to dictate how a MA department should look or operate, the ability of marketing to grasp the department's role becomes even more compromised.

The first step, therefore, in initiating the foundations of a successful collaboration is to ensure the role of MA is well-articulated. "In my opinion, there are three core aspects to MA", voices Cawkwell. "One, have a deep understanding of the practice of medicine and medical customers; two, generate the evidence needed by customers to make good decisions about the use of a medicine for patients; and three, communicate that evidence effectively to diverse audiences, both inside and outside the company.

> "To deliver an effective value proposition, marketing need to utilise MA's scientific expertise"

Shared engagement will develop a brand strategy and not a commercial or medical one." Communicating such a vision to marketing will highlight the mutual benefits of a MA–marketing partnership.

Today's hypercompetitive market, which is becoming increasingly crowded with generics, calls for marketers to bring more to the field than their traditional A game and provide a competitive edge for the company edge over their opposition. MA can help here. "Some years ago, we might have thought that scientific expertise was reserved for the medical teams, while innovation belonged to the marketing departments", explains Eduardo Elorz, Immuno-Oncology Franchise Marketing Lead, Bristol-Myers Squibb. "Capabilities do not belong to teams anymore. To deliver an effective value proposition, marketing need to utilise MA's scientific expertise and their capabilities related to customer focus, innovation, business acumen, and environmental understanding." That said, it's a two-way street and equally "MA should demand strong scientific expertise, competitive awareness, and local regulations expertise from their marketing teams."

The transition from a product-focussed world to one where the customer is at the centre marks a distinct epoch in pharma's life. The union of MA and marketing is perfectly placed to achieve and manage this. With the dawn of a new era comes a moment for companies to create and implement strategies to ensure they accelerate ahead of others. "It's a great opportunity for cross-collaboration at a much earlier stage so that medicines have a clear and meaningful value proposition at approval, which is critically important for a successful launch", adds Cawkwell.

Many a discussion has revolved around why MA is fundamental in providing value and connecting the science and business. However, moving forward, pharma need to cross into uncharted territory and council a relationship between the two that has the potential to truly thrive.

SOMEWHERE BEYOND THE BUZZ

WORDS BY LOUISE ROGERS

Patient centricity is by no means a new concept and probably catalyses a reaction similar to when seeing another article on Brexit; what could possibly be new this time? How ironic that a concept aimed at bringing more value to patients through medicine seems to lose a bit more of its value every time it is mentioned.

In 1987, Heinz put the customer in the centre of their product and turned everything upside down with the introduction of its easy, squeezy bottles, making it a lot easier for customers to enjoy their favourite red sauce: no more bruised palms or failed attempts to scrape out the remainders with a knife. They make it look so easy.

We are all guilty as outsiders of commenting on how an industry could do their job better. It is not groundbreaking news that the methods that once made pharma successful will not work in today's age; many a talk has revolved around an imminent change in company culture and business model adaptation. "Sometimes we lose our way, so how do we find our way back to a place that is patient focussed?", asks Christi Shaw, Senior VP and President for Bio-Medicines, Eli Lilly.

"It sounds so simple and basic, but it's just about asking and listening," says Rafael Ramon, Commercial Excellence Leader EEMEA, Roche. "We need to be using all the channels available to us to create a culture where asking the customer what the problem is becomes part of our organisation's DNA." It sounds almost too basic, but he goes on to explain: "We have been driven by companies to innovate and deliver new experiences. We know so well what we are doing and know so well about the product that we focus all of the attention onto that, and in the process forget about the external views."

There is no doubting pharma's ability to deliver breakthrough and innovative medicines, "and we have to keep doing that", says Shaw, "but we now have the responsibility to help patients become empowered by giving them the digital tools they need to make their own healthcare decisions. We need to look at the patient journey holistically as a whole, not just where the medicines start." And that's exactly what Eli Lilly did when they created Anna's House, an experience simulation in which employees by wearing a pair of specifically constructed gloves, are able to experience what it is like to live with rheumatoid arthritis. As Eli Lilly began to look at the patient journey, they realised how hard it was for patients to bend their fingers. So, with simple technology, they designed their pills to have a divot, enabling patients to lick their fingers and place the pill into their mouths without having to bend them. "High tech, low tech — we need to ask ourselves what we can do to make sure there is the least possible burden to the patient", says Shaw.

This straightforward modification to the pill at the development level emphasises the importance of looking at the whole picture, bringing in a patient-focussed mindset from the very beginning and extending it throughout the entire supply chain. "We have to stop seeing the patient

"We have to stop seeing the patient as a study subject and see them as a true research partner"

as a study subject and see them as a true research partner", says Bahija Jallal, Executive Vice President, AstraZeneca and President, MedImmune. "We need their input from the start to measure the outcomes that matter the most to patients."

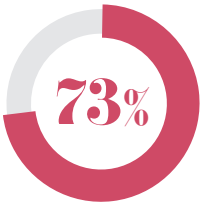
"Patients need early intervention. It is not enough for a diabetic to take a pill and then change nothing about their lifestyle", Jallal adds. "So how can we now, with tech, make it our business not just to bring the medicine to the patient but help that patient change their lifestyle as well?"

"And everything that pharma is doing, it's so worth it", says Shaw, who recently took time off to care for a family member. "When we talk about the moments and memories we have for a lifetime, we realise what we give back to patients is so important. Going through the patient journey as a career, I have seen that we do more to someone's life than just deliver the medicine. I never became more patient-focussed than the year I experienced that patient journey." So maybe it's time for the whole industry to put their gloves on and experience a day at Anna's House.

Concluding with Kris Sterkens, Company Group Chairman, Janssen, EMEA: "The ultimate goal in life is to die young as late as possible." Pharma are enablers of this goal and are evidently on their way to delivering beyond the medicine and beyond the buzz.

DID YOU KNOW?

of those **employed** by the biopharmaceutical and medical device industry in the survey agree focussing on patients' needs leads to better business outcomes.



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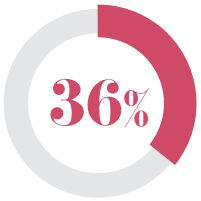
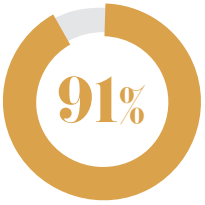


of patients in the survey say that they have "quite a bit" or "a lot" of trust in the pharmaceutical industry overall.

Importance that pharma, biotech, and medical device companies deliver on their patient-focussed missions/visions:



ranked the importance an 8 or more out of 10.

Confidence that pharma, biotech, and medical device companies deliver on their patient-focussed missions/visions:

ranked the confidence an 8 or more out of 10.

Source: Ipsos, 2018

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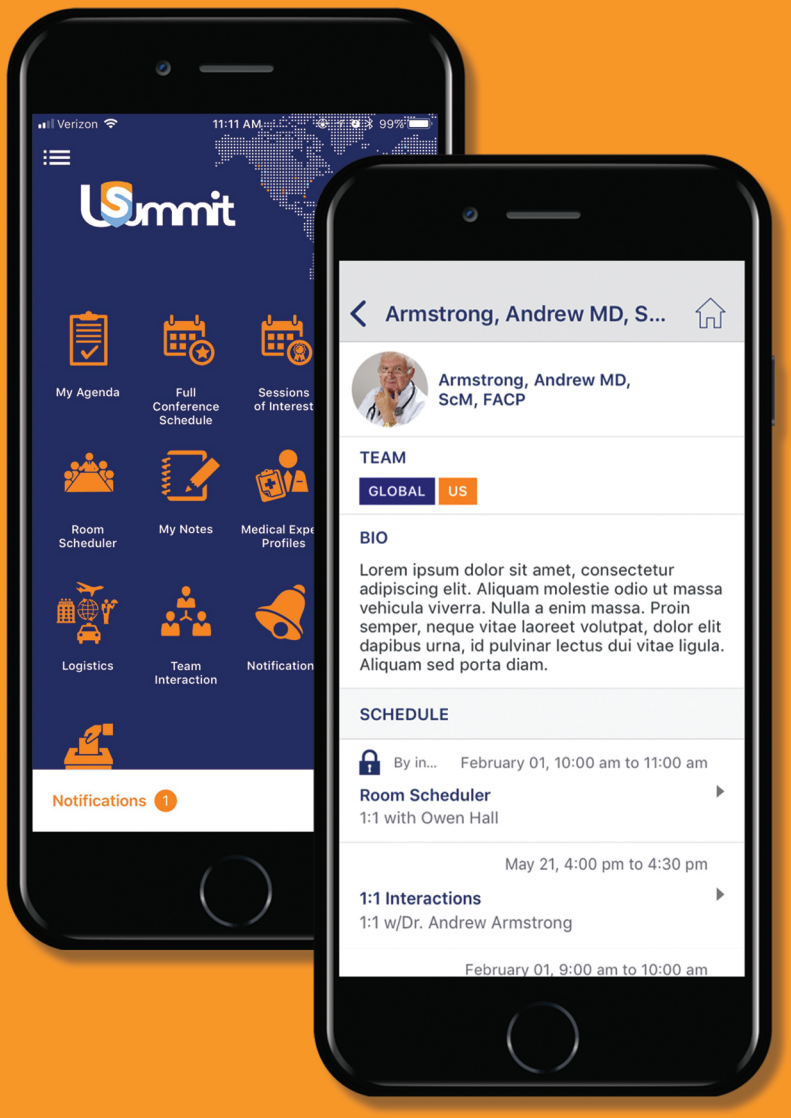

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GIVING MARKET ACCESS A MAKEOVER

WORDS BY ROGER DOBSON

Ever-rising healthcare costs are resulting in governments and other payers exerting a more profound influence over pharmaceutical markets than ever before. Alongside this, pharma companies are facing the challenge of generating improved outcomes while keeping spending in check. These competing pressures are causing both sides to increasingly look for evidence of safety, cost-effectiveness, and value.

As a result, over the past decade, global pharma market access has undergone a significant transition. Karthaveerya Juluru, Senior Project Manager, Phamax Analytical Resources, explains: "This is primarily due to the healthcare reforms promulgated by governments across the globe to contain their burgeoning healthcare expenditures."

These vast healthcare expenditures have not arisen apropos of nothing. Today's evolving market access landscape has emerged due to the convergence of both epidemiological and financial factors: "Escalating healthcare costs have resulted from the growing prevalence of chronic diseases, increases in the geriatric population, and higher prices of new therapies", Juluru states.

> **"Pharma companies are facing the challenge of generating improved outcomes while keeping spending in check"**

Resultantly, these changes have seen a shift from volume to value: from paying for pills to paying for performance. Healthcare payers are now seeking medicines that prove their value through improved outcomes, reduced cost, and outperformance of competition.

To compensate, companies should re-evaluate the significance of market access planning in their marketing approach. According to Big Pharma's Market Access Mission, Deloitte University Press: "Executives should consider revamping the way they develop and market drugs — making market access planning an integral part of their organisation — and balancing clinical and economic value in product development and commercialisation decisions."

To aid this newfound approach, the report suggests companies must reallocate resources on a grand scale: "It is not simply a question of determining how much payers will pay, but the value of and economic justification for a given drug." The report goes on to warn that if this remodelling of resources is neglected or not implemented properly, the consequences will be financially apparent, with poor strategic market access decisions leading to missed opportunities and, consequently, a catastrophic impact on a product's financial returns.

A major aspect of remodelling is cross-team collaboration, which will prove essential when bringing future innovations to market; the efforts of just one individual or team shouldn't be relied upon. More specifically, "Companies should increasingly combine medical and marketing expertise when they launch a new medicine", explains Paul Catchpole, Value & Access Director, Association of the British Pharmaceutical Industry.

Companies are already taking heed and combining medical and marketing expertise to gain access to markets — a process that has brought innovative ideas. One such concept is conditional reimbursement, where companies are reimbursed if specified conditions are met. These conditions may include data from use in real-world settings rather than from clinical trials. The problem here is that real-world evidence is not immediately available for a new product, so, in effect, the drug is on probation. This will lead to greater difficulty in financial forecasting, which further reinforces the need for collaboration between departments — finance will increasingly seek to leverage information from medical affairs to make more accurate predictions about expected returns from drugs.

In addition to innovative ideas, the development of a synergistic company structure will provide further benefits to pharma. As Catchpole notes: "Companies benefit when they can demonstrate the positive impact of their new treatment in a clear and succinct way." This ambition can be realised through increased collaboration and sharing of information between medical affairs and marketing leading to more tightly focussed communication with stakeholders, which will result in improved market access and patient benefit — two undisputedly desirable outcomes.


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