

Alternative Promotional Models in Pharma: Do you have the right one?



What is “a business model”?

**“All it really meant was how you planned
to make money”**

- Michael Lewis, *The New, New Thing*

How things change...



lululemon



athletica

...step into the future

The Creative Destruction of Medicine – *Dr. Eric Topol*



<https://www.youtube.com/watch?v=8SMG2GvCwsA>



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Today's Speakers

Paul Abbass- Principal, Legitimed

Ian Wombwell- Manager of Strategic Accounts, Roche Canada

Joel Erickson- Executive Vice-President, Ashfield Healthcare Canada

Integrated Communications

Paul Abbass
LEGITIMED Inc.

2014-2015

Challenge

The challenge is the same as it's always been...

Sustainably



With meaningful
content



Reaching high
value customers



Situation

Technology, changing demographics and dryer pipelines are changing attitudes and leading to...

Fewer prescriptions

Limited access

Change to the value paradigm



- Large proportion of traditional Rxers are >60 and retiring
- Younger MDs; distrustful of-pharma and highly tech savvy



Less access

- Group practices, with ltd access rules, are becoming the norm

Technology is changing how MDs consume information – “rich content on my terms”



- Less frequent “new product” news
- More frequent “late lifecycle” product promotion

Integration

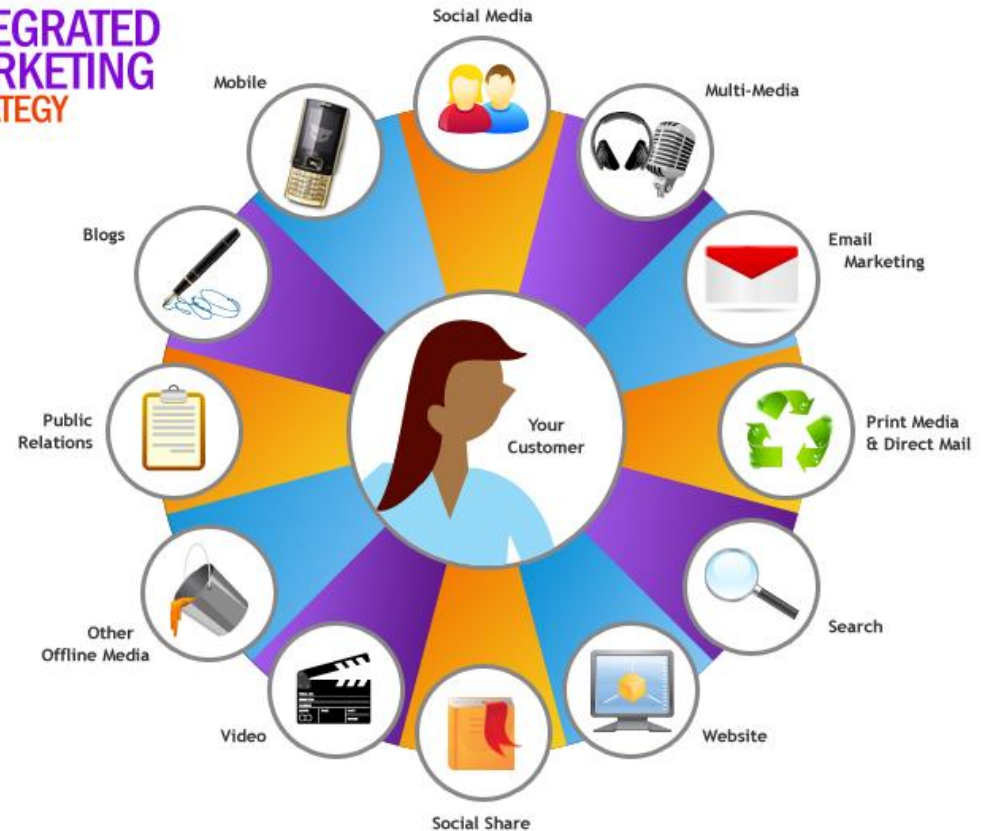
The Innovation Model

What does the customer 'need'?

What will the market bear?

What will technology support?

INTEGRATED MARKETING STRATEGY



A blend of methods, over time => CHANGE

Case Study

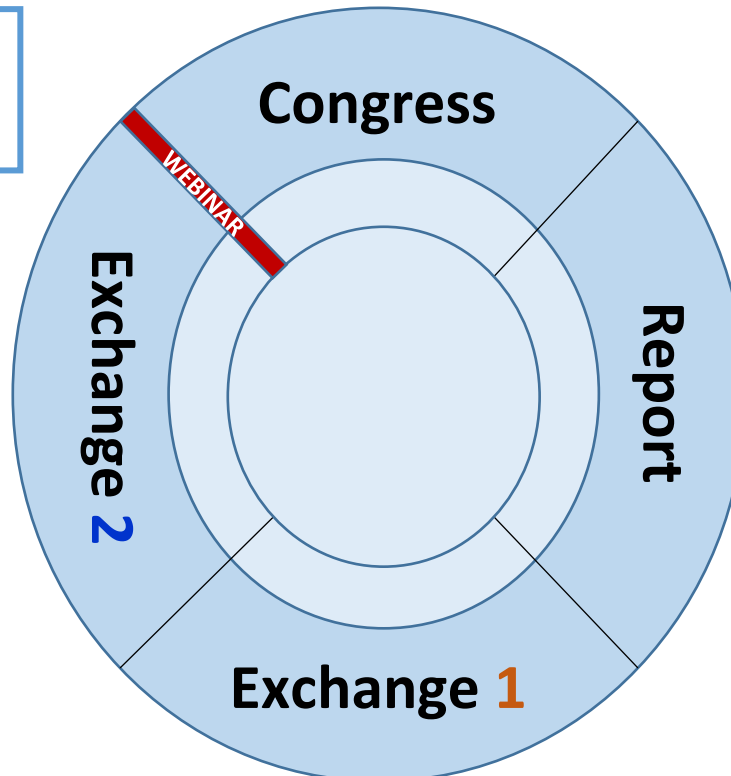
Q: Do you believe that peer exchange drives change?

A: Your customers do. They work in communities of practice daily where collegial exchange is the foundation of continuous learning.



Results:

- ✓ 20% Open rates
- ✓ 7% click-through
- ✓ 50% of HCPs return to forums
- ✓ Extended shelf-life



2-page Congress Report



PRIORITY PRESS

39th Annual Congress of the European Society for Medical Oncology (ESMO)
Madrid, Spain / September 28-30, 2014

Survival Data Justify Early Use of Androgen Pathway Inhibitor in Metastatic Castration Resistant Prostate Cancer

Madrid - The final overall survival (OS) results of a phase 3 multicentre trial have confirmed the value of first-line androgen inhibitor in metastatic castration resistant prostate cancer (mCRPC). In the study, early use of an androgen pathway inhibitor not only significantly improved OS but exerted a favorable impact on a series of milestones relevant to quality of life over the course of survival, including time to chemotherapy and time to opiate use to control cancer-related pain. These data are important for organizing the expanding number of treatment options that can be applied sequentially to slow progression of mCRPC. Over the course of the long-term follow-up in this phase 3 trial, patients in both arms eventually received a large array of additional treatments, but initial use of an androgen inhibitor was still able to provide a significant OS advantage.

Chief Medical Editor: Dr. Léna Ouk, Memorial Sion

Compelling evidence of the value of early, first-line inhibition of androgen in patients with mCRPC was drawn from the final OS analysis of the COU-AA-302 trial. The trial compared the androgen pathway inhibitor abiraterone plus prednisone to prednisone alone. Presented in a primary forum for clinically significant studies at the ESMO congress, these along with other data led to ESMO discussions to call for early androgen therapy.

"This study really addresses the very important question of the timing of this agent," explained Dr. Bernard Tombal, Chairman, Division of Urology, Cliniques Universitaires Saint-Luc, Brussels, Belgium. Appointed by ESMO to assess the clinical significance of these data during the session in

Dr. Charles J. Ryan, Genitourinary Medical Oncology, University of California, San Francisco, emphasized that the study was not discontinued when it was unblinded. Rather, the design was amended to allow control patients to switch to abiraterone with the intention to compare OS between arms over an extended period of follow-up. The median is now 49.2 months.

In the final analysis, the hazard ratio (HR) for OS was 0.81 (95% CI 0.70-0.93) favoring abiraterone. (P=0.0033). The statistical advantage of this co-primary outcome far exceeded the pre-specified boundary (P=0.0384). This almost 20% reduction in death is similar to that reported at the interim analysis but

Summary

- The traditional go-to-business model is becoming obsolete ... and we, in pharma, know it.
- Companies are toying with solutions but no one has implemented a strong working model.
- This is creating a huge *first mover* opportunity to...
 - Be seen as leaders and innovators
 - Create a “breakaway” competitive advantage
 - Generate superior results
 - Drive business growth
 - Attract top tier talent
- Follow the innovation model – begin integration (multi-method/time)

Merci / Thank you

2014-2015

Account Management: A Fit For Pharma?

PMCQ, February 17, 2015

Ian Wombwell
Manager, Strategic Accounts Team
Roche Canada



Agenda

- I. **Changing Times**
- II. **Account Management: A New Paradigm**
- III. **Making SAM Work**

Agenda

I. Changing Times

II. Account Management: A New Paradigm

III. Making SAM Work

Key Changes at Roche

- Specialty product portfolio.
- Pharmaceuticals with companion diagnostics.
- Numerous new products in multiple business units.
- An organizational 'gap' between Sales Representatives and Government Relations.
- Consequently, we were seeking a means to create relationships with non-traditional stakeholders (the C-Suite) to identify areas of mutual interest and co-create value.

What About Your Organization?



Agenda

I. Changing Times

II. Account Management: A New Paradigm

III. Making SAM Work

SAM: One Definition

“Strategic Account Management (SAM) is a company-wide initiative in complex, highly matrixed organizations which focuses on building strong and mutually beneficial relationships with a company's most important customers and partners...

The whole organization has a significant role to play to facilitate and support the SAM process and hence to obtain superior business results.”

- *The Strategic Account Management Association (SAMA)*

The Account Universe

They aren't created equal



Reps vs. Account Managers: Understanding the Differences

| | Representative | Key Account Manager (KAM) | Strategic Account Manager (SAM) |
|-------------------------------|-----------------------------|----------------------------------|--|
| Business Strategy | | | |
| Core Strategy | Product Selling | Product Selling | Integrated Partnerships |
| Competitive Advantage | Innovative Products | Innovative Products | Mission-Critical Hospital Solutions |
| Planning Horizon | Current Year | Current Year | Long Term (3 years and Beyond) |
| Customer Type and Number | 50 + Individuals | 15-20 Accounts | 1-5 Accounts |
| Internal Dynamics | | | |
| Focus within the Organization | BU Products | BU Products | Entire Company Portfolio |
| Internal Team | BU | BU | Senior Leadership |
| Reporting Structure | Within the BU | Within the BU | Outside the BU |
| Customer Dynamics | | | |
| Contacts | MDs, Pharmacists | MDs, Pharmacists, Directors | C-suite, Directors |
| Priorities | Better Patient Outcomes | Better Patient Outcomes | The Patient and the Long Term Hospital Mission |
| Relationship Attributes | Professionalism, Cordiality | Professionalism, Mutual Insight | Deep Trust, Advisory Role, Shared Values |

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Healthcare Companies Moving Towards Account Management



GE Healthcare



SIEMENS

Agenda

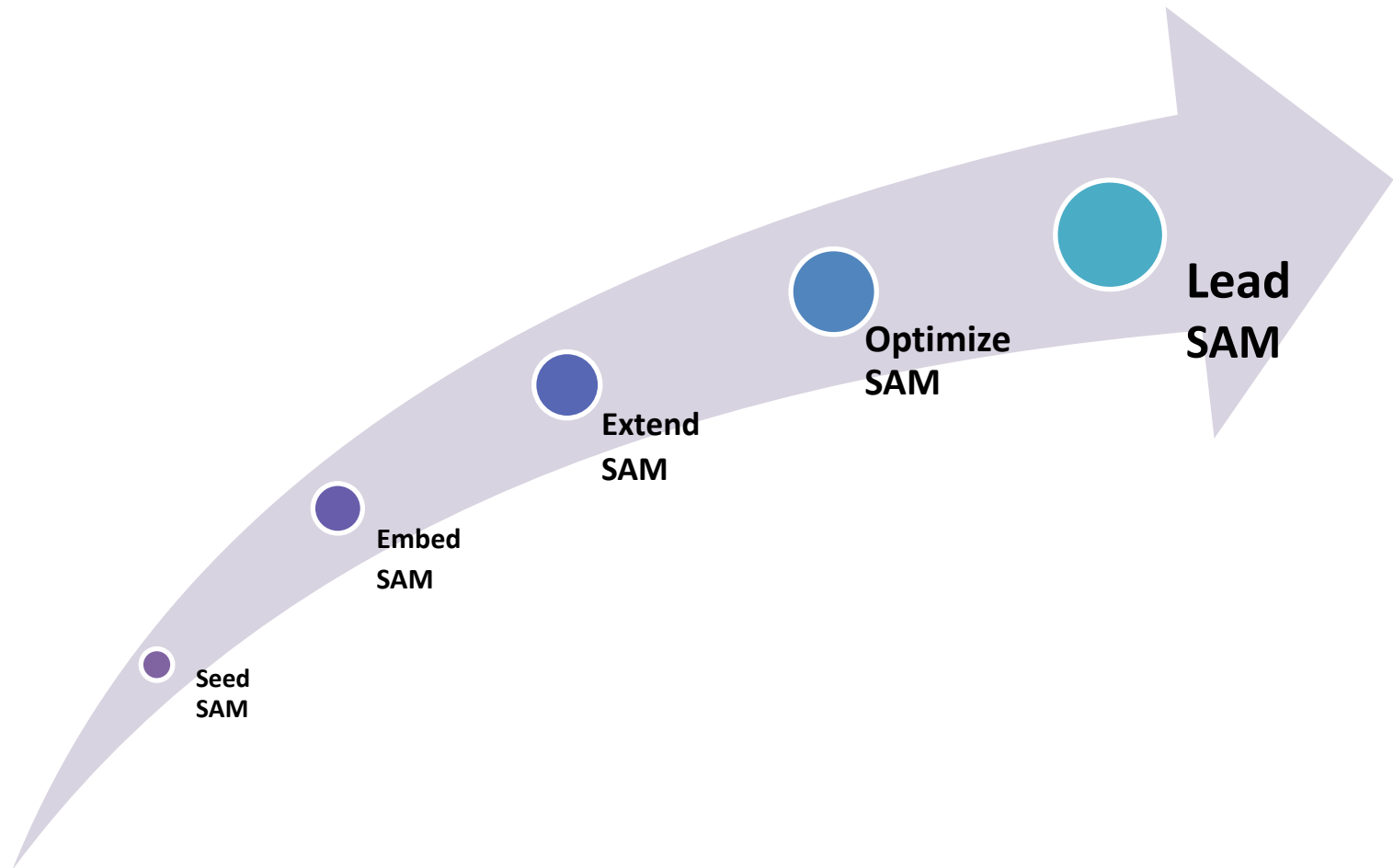
- I. Changing Times
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Making SAM Work: Principles from the Trenches

1. Make a Long-Term Commitment
2. Get Organization-Wide Engagement
3. Choose the Right People
4. Continuously Communicate the Value You Are Delivering

Principle 1:

Make a Long-Term Commitment



Principle 2:

Get Organization-Wide Engagement



Principle 3:

Choose the Right People



Principle 4:

Continuously Communicate the Value You are Delivering



Examples of Value from SAM

**Clear Win:
Tamiflu**



**Account Progress:
The External Account Review**

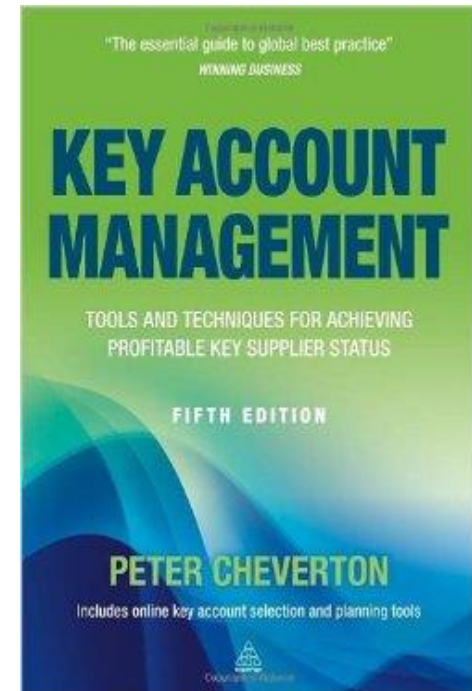
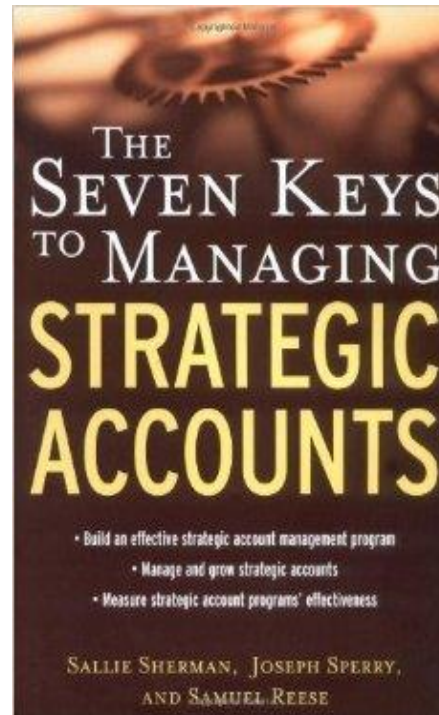
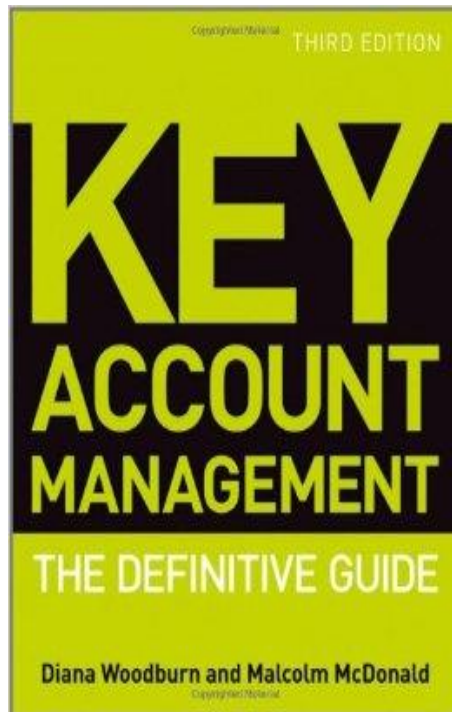


What Next?

- What resonates for your organization?
- What questions do you have?
- What pieces are missing?



I Hope You Are Curious About Account Management



Doing now what patients need next

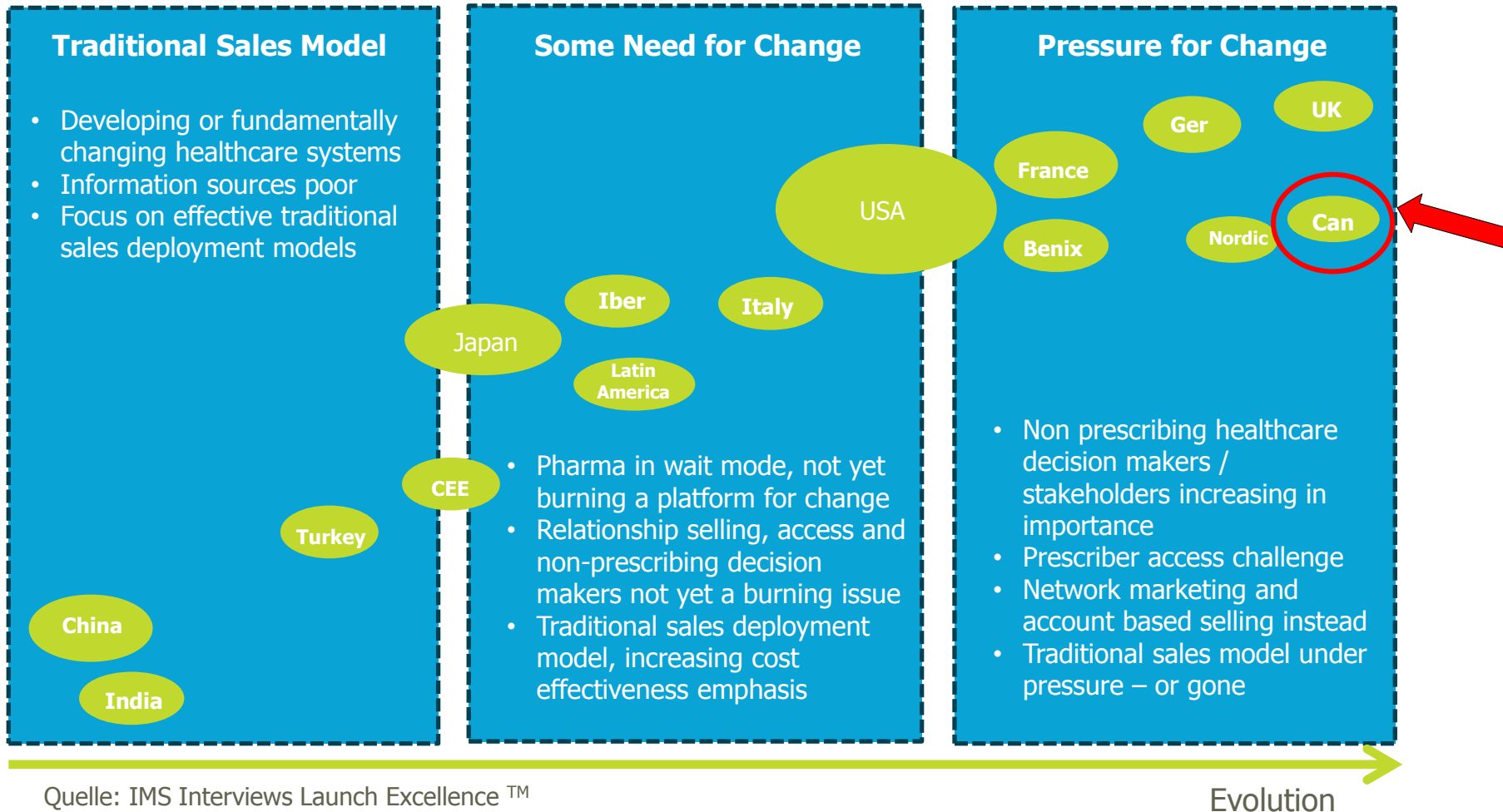
PMQC Presentation

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Joel Erickson, EVP

Ashfield Healthcare Canada

“Traditional” Sales Model Under Pressure

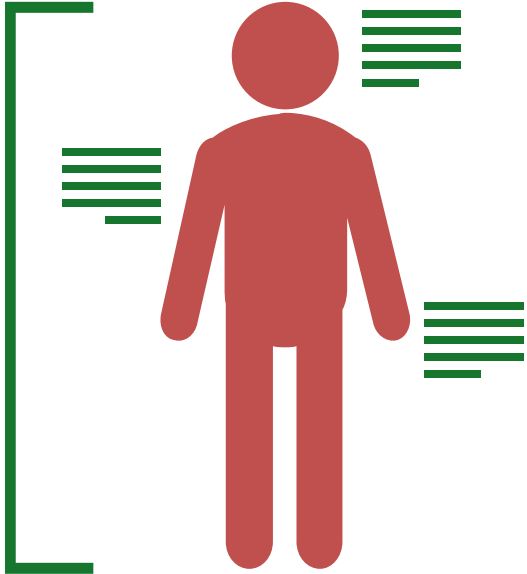


A New Commercial Model



Online Behaviour of HCPs

2015 HCP



Source: 1 -M3 (2014) | Source: 2 - IMS Institute



European HCPs spend 21 hours online,
16 hours+ per week
online for professional purposes. ¹



70%+ of Primary Care
Physicians use Social Media for
professional purposes. ¹



Physicians on average spend
three hours per week watching
online videos for professional purposes. ²



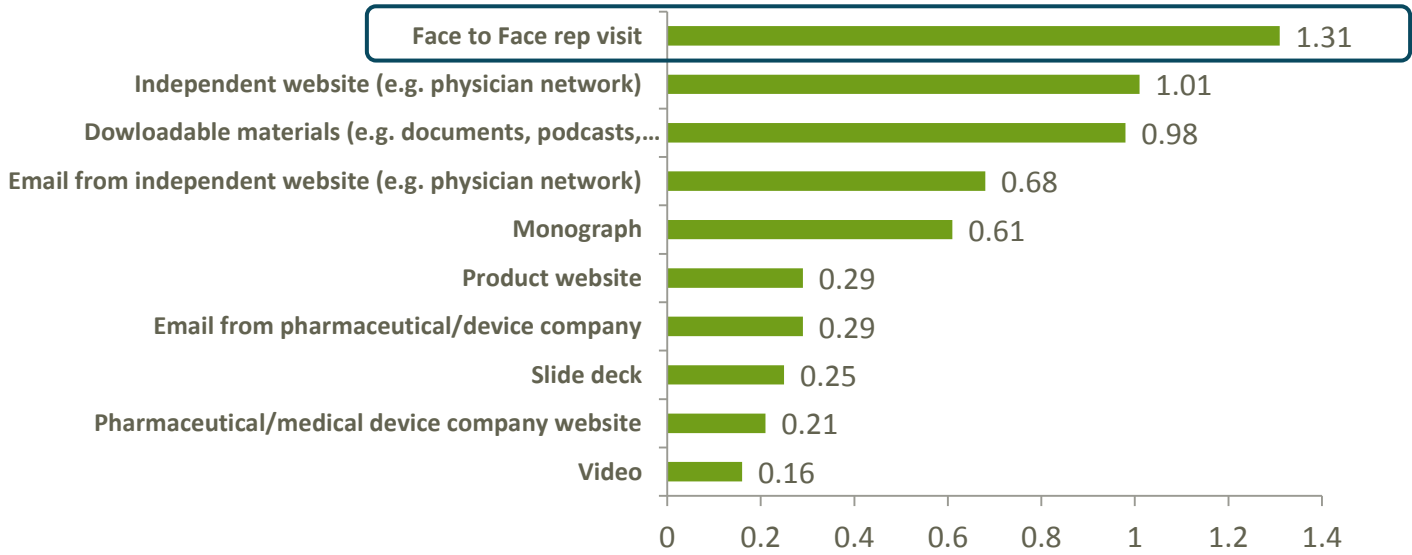
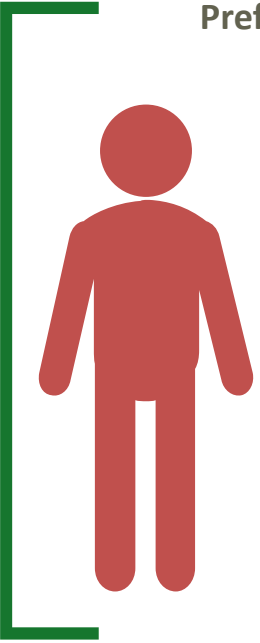
72% of HCPs use tablets for
professional purposes. The use of
smartphones is approximately 90%. ¹

Importance of Face to Face



Face to Face is most widely-used (92%) and costly channel²

Preferences for receiving promotional material¹



Note: the respondents were asked for their top three choices (a first scores 3, a second 2, a third 1 and no points if an option is not chosen at all).
Source: 1 -M3 (2014) | Source: 2 - Cegidem Relationship Management: Multichannel: Insights for Measuring effectiveness - October, 2013

Today's Representative



Specialty Reps

Professional Reps

Cust Service Reps

KAMs

Nurses

MSLs

Dedicated or Shared

Flexible & Scalable

Highly Trained

Latest Technology

Operational Support

Finding the right balance based on business needs
Ensuring they working in an integrated and complimentary fashion

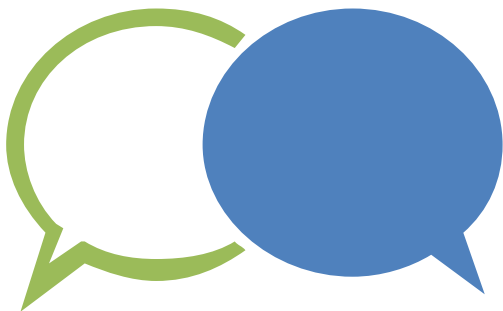


Remote Selling Integration



Physicians were most likely to spend over 15 minutes with a representative when visit was accompanied by laptop or handheld device based materials

Layering Channels



Sales impact of a speakers program is 1.5 times greater if followed by a rep detail within one week of the speaking engagement.



67% of HCPs are more likely to engage when a patient service is layered into the physician communication (i.e. samples, vouchers co-pay cards).

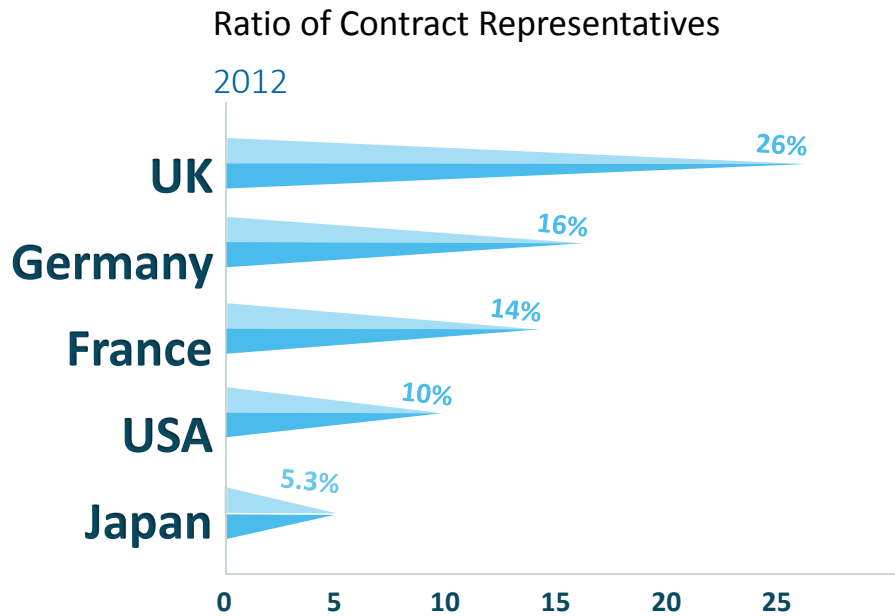


81% of physicians demonstrate a clear preference for specific types of offers – independent of channel.

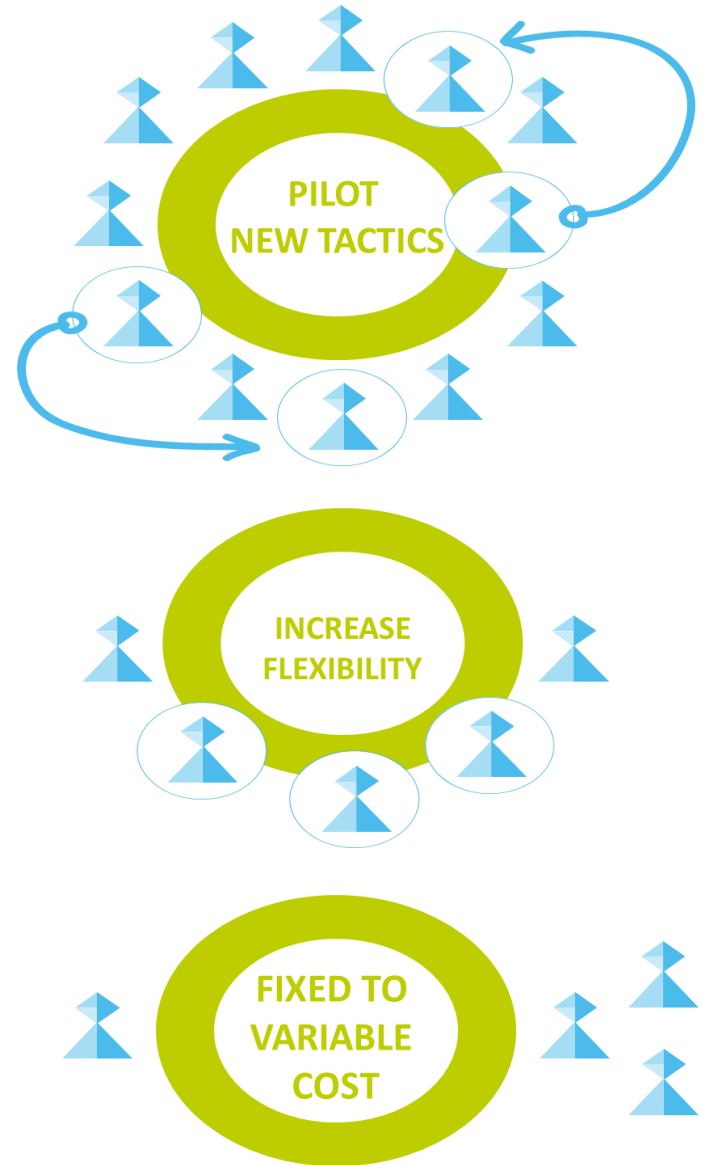
Source: ZS Associates: As sales reps see doors close for in-person visits with physicians, digital doors open communication September, 2014

Value of Outsourcing

CSO PENETRATION



Sources: CSO Association of Japan 2013 and others



Why don't companies follow through?

*“Not incentivised to **work as an integrated team**. Work in silos - **don't have a clear directive** to execute a multichannel strategy”*

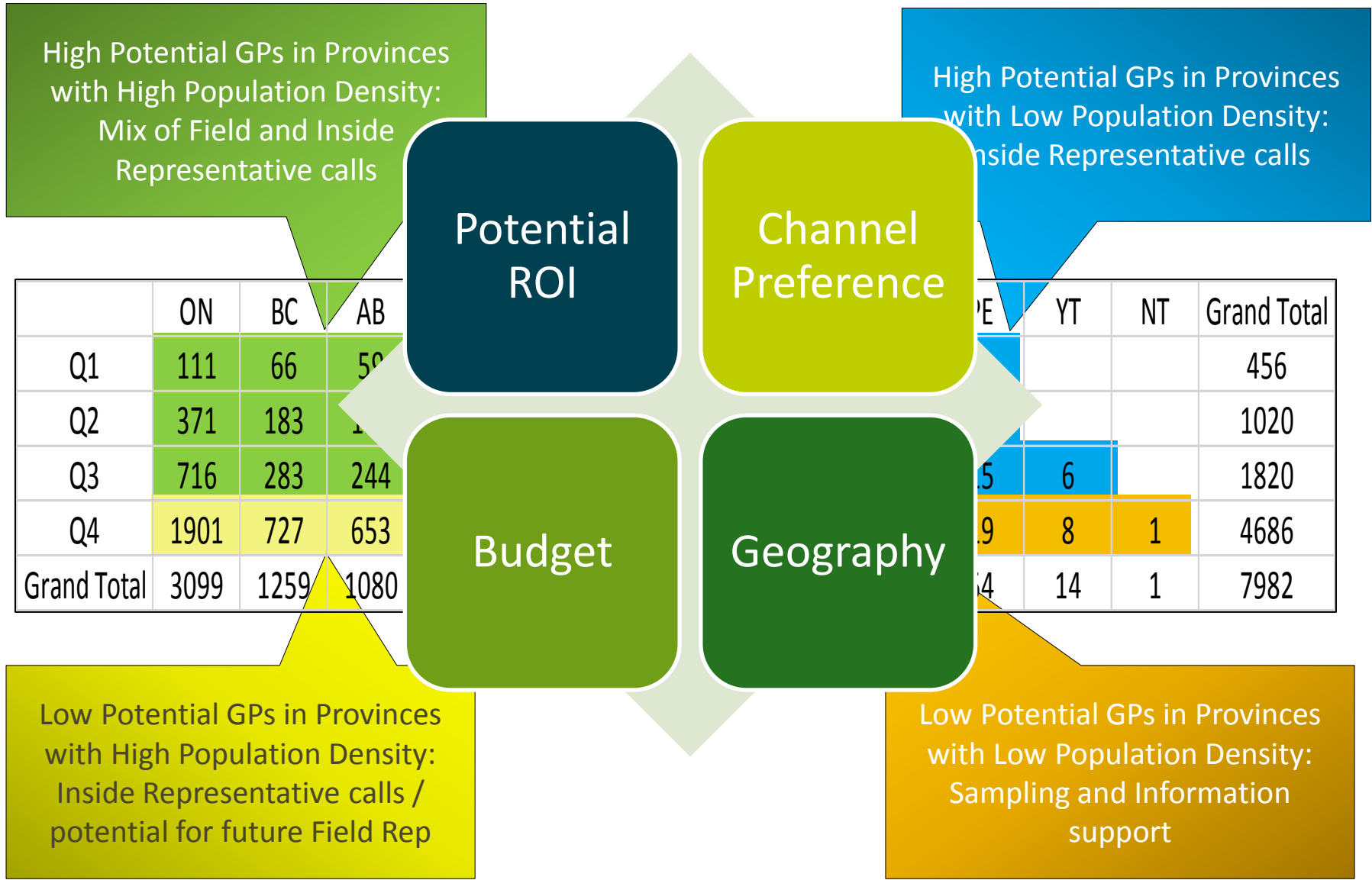
“The commitment is to digital, **multichannel is more of an umbrella term** but is not driven by a single team”

“We don't act on it too much because of **legal bureaucracy and compliance**”

“Everyone tends to revert to tried and true activities that everyone understands, especially with **limited budget**”

*“Because of **budget and compliance**”*

Multichannel Mix Example



High Potential GPs in Provinces with High Population Density: Mix of Field and Inside Representative calls

High Potential GPs in Provinces with Low Population Density: Inside Representative calls

Potential ROI

Channel Preference

Budget

Geography

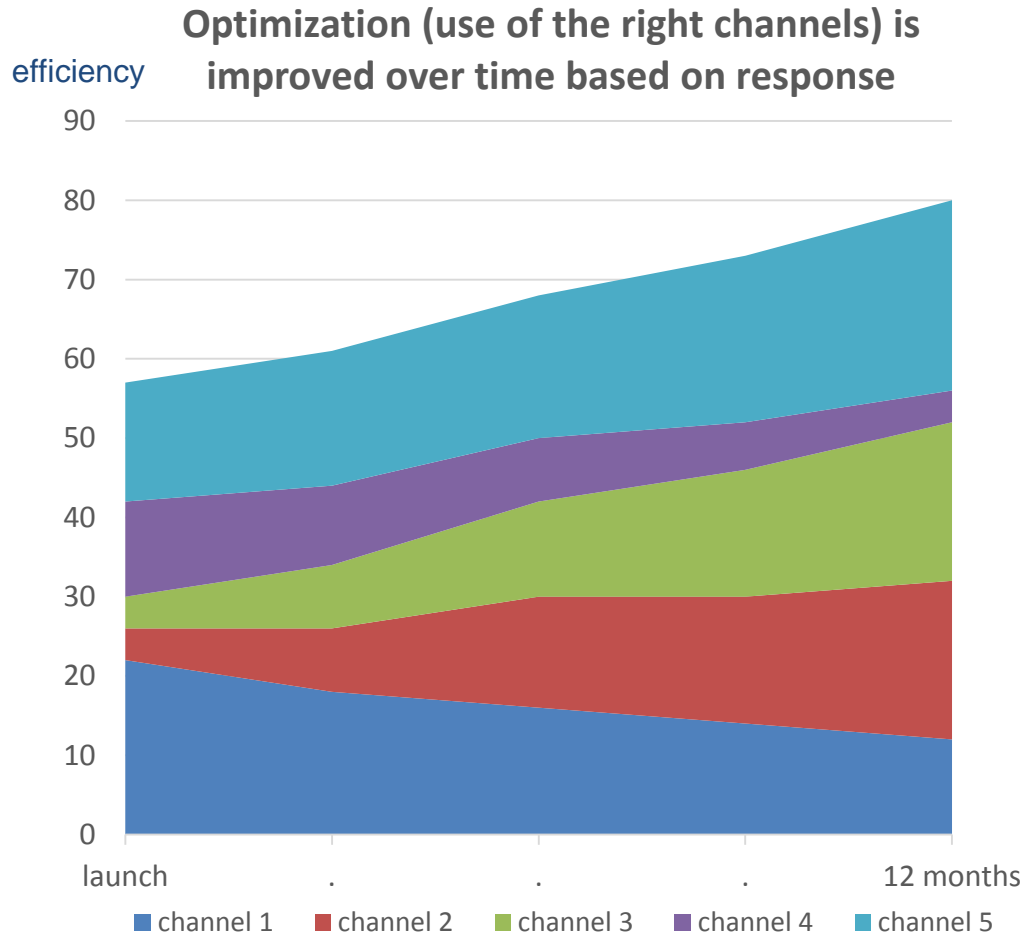
| | ON | BC | AB |
|-------------|------|------|------|
| Q1 | 111 | 66 | 50 |
| Q2 | 371 | 183 | 111 |
| Q3 | 716 | 283 | 244 |
| Q4 | 1901 | 727 | 653 |
| Grand Total | 3099 | 1259 | 1080 |

| PE | YT | NT | Grand Total |
|----|----|----|-------------|
| | | | 456 |
| | | | 1020 |
| 5 | 6 | | 1820 |
| 9 | 8 | 1 | 4686 |
| 4 | 14 | 1 | 7982 |

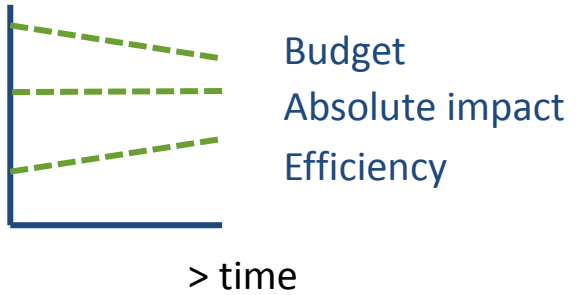
Low Potential GPs in Provinces with High Population Density: Inside Representative calls / potential for future Field Rep

Low Potential GPs in Provinces with Low Population Density: Sampling and Information support

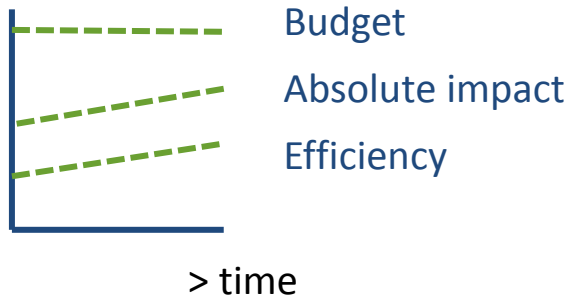
Driving Flexibility and Agility



Option 1 – reduce budget over time – achieve the same with lower spend*



Option 2 – maintain budget over time – achieve more with the same spend*





Stages in the evolution of multi-channel



Stage 1

The ability to deliver more than one channel



Stage 2

Stage 1 plus collect data in one data warehouse and provide reports to the client on the range of interactions with each HCP/patient



Stage 3

Stage 2 plus overlay sales data/patient response and segment HCPs/patients based on their responses to different channels or combinations of channels



Stage 4

Stage 3 plus adapt content /communications based on response and segments



Stage 5

Manage stages 1-4 under one contract, flexing channels as required



Complete multi-channel offering

Merci / Thank you

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