

executiveinsight
healthcare consultants

**STAKEHOLDER AND
KOL MANAGEMENT:**
Taking the Pulse



Introduction

Payers, policy makers, patient associations, regional authorities, integrated providers, regulatory bodies. These, as well as all the medical opinion leaders who influence them, are just some of the increasingly long list of stakeholders who contribute to shaping care in any given therapeutic area. Developing and maintaining relationships across these groups will continue to be a source of competitive advantage for the industry. While the processes, capabilities and systems to manage scientific experts have mostly matured across the industry, the same cannot be said for the other groups.

Lack of cross-functional collaboration, inertia in adopting new technologies and limited management attention are just some of the root causes underlying the slow pace of improvement. Yet therein lies the opportunity to create a more systematic and consolidated approach towards stakeholder management along the product lifecycle.

Methodology

Leveraging its expertise in the area of KOL and stakeholder management, Executive Insight undertook a qualitative study, consisting of 15 in-depth interviews with European/US professionals in leading pharmaceutical companies responsible for, or engaged in, stakeholder management.

The insights from the interviews can be broadly divided into six key areas:

- 1) Stakeholder identification**
- 2) Strategic planning**
- 3) Stakeholder ownership**
- 4) Engagement channels**
- 5) Measuring impact**
- 6) Enabling competencies**

The aim of the research was to identify the key challenges in stakeholder management, and potential solutions to optimal interaction and management of stakeholders. The research uncovered key organisational capabilities, skills and processes which could be applied as best practice, key trends shaping the future of stakeholder management, and insights into how to improve processes and outcomes to enhance competitive positioning. The following document is a high-level summary of the findings.

Definition

The term ‘Stakeholder management’ is used a lot in the pharma industry, but what exactly does it mean in the context of this report?

STAKEHOLDER: ‘Stakeholder’ is a catch-all term, which for the purposes of this research, is defined as all individuals who contribute, either directly or indirectly, to shape the understanding of a disease and the provision of its treatment. In this context, this term can be used interchangeably with terms such as Key Opinion Leader (KOL), expert, key influencer or thought leader.

MANAGEMENT: It is important to also consider what is meant by ‘management’ – in reality, stakeholders are not ‘managed’ by pharma companies, and nor should they be. Rather ‘engagement’ is the more accurate term, and for the purposes of this report, ‘engagement’ and ‘management’ should be viewed as interchangeable terms.

Key challenges identified

The key challenges identified throughout the stakeholder management process are below. In this report we examine each of the six key areas in more detail, and summarise the solutions proposed by the interviewees.

1. Stakeholder identification	2. Strategic planning	3. Stakeholder ownership	4. Engagement channels	5. Measuring	6. Competencies
<ul style="list-style-type: none"> Lack of strategic planning Static mapping in a fast-changing environment Flaws in analysis 	<ul style="list-style-type: none"> Lack of connectivity Planning constraints 	<ul style="list-style-type: none"> Lack of coordination Lack of single gatekeeper 	<ul style="list-style-type: none"> Face-to-face opportunities limited Lack of willingness to use new channels 	<ul style="list-style-type: none"> Measuring the impact Regulatory barriers 	<ul style="list-style-type: none"> Finding the right personnel Appropriate management

Insights

1) Stakeholder identification

Stakeholder engagement begins with the identification of the individuals and groups your product or initiative could directly impact or interest in some way.

Stakeholder mapping is the most fundamental element of stakeholder identification, and should be a collaborative process of research, debate, and discussion that draws from multiple perspectives to determine a key list of stakeholders across the entire spectrum. However, some clear challenges emerged.

FACTOR	CHALLENGES	PROPOSED SOLUTIONS
1. Lack of strategic planning	<p>Not enough time is invested at an early pre-mapping stage to think strategically about the type of stakeholders to engage with and why.</p> <p>This planning time is essential to prevent mismatches between the required profiles skills and the suggested stakeholders that the mapping returns.</p>	<p>As well as ensuring planning time is built into timelines, consider having a dedicated stakeholder management role to ensure the long-term stakeholder engagement strategy is supported by selected stakeholders.</p> <p>It is also beneficial to increase the capabilities of teams on stakeholder network strategies to ensure everyone understands <i>why</i> certain stakeholder types are needed.</p>
2. Static mapping in a fast-changing	<p>Too often, the identified come from the same static pool of contacts, based on existing relationships and preferences.</p> <p>Meanwhile, the types of relevant stakeholder are rapidly diversifying, which means pharma company stakeholder mapping is often lacking in breadth.</p>	<p>Consider regular meetings with the cross-functional team to keep track of changes in stakeholder landscape and to keep the stakeholder plan active.</p> <p>Stakeholders' perspectives, involvement and ability to influence the therapeutic area may change throughout its duration. Teams should identify stakeholders not only in the early stages, but also periodically throughout the lifecycle.</p>
3. Flaws in analysis	<p>The interconnection between stakeholders is not always well understood – and even when it is, the capabilities to use this information are not always in place.</p> <p>The segmentation of stakeholders is often non-existent, inconsistent or poorly understood internally – as a result, organisations struggle to appreciate the true value of a stakeholder.</p>	<p>Systematic mapping of influencers and their connections by third party, updated on a regular basis (e.g. yearly).</p> <p>Simple, well communicated segmentation strategies</p>

2) Strategic planning

To be most effective, the mapping process should be driven by an engagement strategy. Strategic planning provides the opportunity to set a clear vision and level of ambition of future engagement and to review past actions. Interviewees cited several internal challenges to good planning.

FACTOR	CHALLENGES	PROPOSED SOLUTIONS
1. Lack of connectivity	<p>Functions plan in silos, sometimes with stakeholders overlapping between them. There is a lack of a clear, single corporate overview.</p> <p>The planning is overly tactical and not connected to strategic priorities.</p>	<p>The high-level planning should be cross-functional, but led by a single function (e.g. a dedicated stakeholder management role). The tactical planning is done by individual functions.</p> <p>Start the planning process by creating a clear vision of what you want to achieve, clearly linked with the strategic priorities.</p>
2. Planning constraints	<p>Regulatory constraints around long-term planning (e.g. beyond the next conference) is a specific challenge that is most prominent in North America.</p> <p>Budgeting complexities - such as multiple budget sources and activities spanning fiscal years - complicate planning.</p>	<p>The planning team should include legal, to avoid subsequent compliance challenges.</p> <p>The planning should be integrated across stakeholder groups, encapsulating overall business challenges, the associated activities, which stakeholders are needed, and who is accountable internally.</p>

3) Stakeholder ownership

It is important that stakeholders have a clear sense of who their main point of contact is at an organisation, and that the roles and responsibilities of the various people they come into contact with are made clear.

The main relationship owner can help to clearly define short- and long-term goals (regulatory restrictions notwithstanding), set tactics and rules for the engagement, and be the lead for the engagement itself by focusing the conversations, making the most of engagement sessions, and mitigating tension when it arises. Our interviews showed that the reality is not so straightforward.

FACTOR	CHALLENGES	PROPOSED SOLUTIONS
1. Lack of coordination	<p>A range of internal functions interact with external stakeholders, many overlapping, making internal coordination and transparency difficult to achieve.</p> <p>Internal coordination between global, regional and affiliate personnel is also often sub-optimal – lack of a centralized information system increases challenges.</p>	<p>Dedicated, centralized stakeholder management function (e.g. KOL director, supported by KOL managers).</p> <p>Clear rules of engagement with stakeholders (e.g. global always informs affiliate).</p> <p>Integration of information systems to create transparency across the organisation.</p>
2. Lack of single gatekeeper	<p>Internal push-back against a “gatekeeper” single point of contact approach.</p> <p>The relationship owner and the budget owner are not always the same, sometimes creating internal conflicts.</p>	<p>One of two approaches:</p> <ol style="list-style-type: none"> 1. Multiple, function-specific points of contact which coordinate internally. 2. Single point of contact – similar to an account manager role – coordinating the relationship.

CASE STUDY: Stakeholder ownership in practice

A KOL relationship leader at a top pharma company outlined how having a centralised, dedicated team for management of key relationships was beneficial.

RATIONALE: To overcome the ongoing battles between functions (e.g. commercial and medical). This also has relevance within franchise teams that cross several therapeutic areas, each with their own medical stakeholders.

SUMMARY: One centralized team (across more than one disease area) at each affiliate, dedicated to management of key relationships. The team reviews the plans of all functions, decides which experts to engage and for what (bearing all function requirements in mind), oversees the implementation of the compliance code and shares best practices across therapeutic areas.

OUTCOME: Despite internal resistance, the function is bringing a coordinated, strategic approach, which ensures that a balanced set of relationships is built early on and minimizes in-fighting between franchises.

4) Engagement channels

There are a wide range of channels to engage with stakeholders, including teleconferences, webinars, one-on-one meetings, or group meetings, blog posts with moderation, forums or events. However, our interviewees highlighted common barriers to meeting or communicating with stakeholders effectively.

FACTOR	CHALLENGES	PROPOSED SOLUTIONS
1. Face-to-face opportunities limited	<p>Opportunities for face-to-face interactions are reducing due to external pressures (e.g. budget and compliance pressures).</p> <p>There are some concerns around sharing confidential material in non-face-to-face interactions.</p>	<p>Start engaging with stakeholders earlier in the process when building non-face-to-face engagement approaches.</p> <p>Consider which engagement channels are right for which stakeholder groups (e.g. for many Government affairs stakeholders, face-to-face remains the preferred channel).</p>
2. Lack of willingness to use new channels	<p>Some companies are more conservative when it comes to using new channels.</p> <p>Not all companies recognize the need for a continuous flow of up-to-date and relevant content for non-face-to-face channels.</p>	<p>Consider remote communication technologies to speed-up interactions and make them more continuous, but ideally in combination with face-to-face meetings.</p>

CASE STUDY: Involving yourself in virtual networking

A Senior Director of Opinion Leader Relations at a top pharma company outlined how the company is having to embrace new virtual channels to maintain healthy HCP relationships.

RATIONALE: There is a need to explore new channels, because the way that stakeholders network is also changing due to tighter budgets and more content shared online.

SUMMARY: To remain engaged with a stakeholder network, the company needs to be increasingly creative. We are currently experimenting with a virtual networking platform for HCPs; the challenge is gaining the full trust of HCPs that we will honor our commitment of not using it for commercial purposes.

OUTCOME: A more flexible and easily accessible forum for HCP interactions.

5) Measuring impact

It is essential to be able to measure the impact of stakeholder relationship management, and that the stakeholder programmes you implement can be tracked and measured against KPIs. However, it was clear from the interviews that implementing truly meaningful metrics – which assess the quality of stakeholder relations and the impact they have on your brand or project – can be challenging.

FACTOR	CHALLENGES	PROPOSED SOLUTIONS
1. Measuring the impact	Although every organisation tracks activity levels , there is a general recognition that this matters less than the impact generated – which is more difficult to measure.	A range of different internal and external metrics were suggested, and are included in the table below. Developing a joint KPI together with the stakeholder is seen as most impactful, though more challenging to achieve.
2. Regulatory barriers	Regulatory barriers to measuring return on investment of activities with external stakeholders.	

	INTERNAL METRICS	EXTERNAL METRICS
Input driven	<ul style="list-style-type: none"> • Activity tracking (e.g. # of interactions; # of events; # of grants, # of event participants) • Internal participation in activities (e.g. senior leadership involvement in meetings) 	
Output driven	<ul style="list-style-type: none"> • Achievement of a specific objective (e.g. a publication), in relation to a strategic objective • Achievement of an objective within planned timeframe (e.g. start of clinical trial) • Internal customer satisfaction with outcomes of external stakeholder activities • Internal level of advocacy of a given stakeholder – as collected internally by the cross-functional team) 	<ul style="list-style-type: none"> • Tracking of level of advocacy for a specific stakeholder (public statements, publications) • Customer satisfaction with quality of interaction (measured through surveys) • Customer perception of company • Number of unsolicited requests received from external stakeholders • Achievement of sales targets*

* While this was mentioned more than once, it was also explicitly mentioned as a no go in several markets (e.g. US, Canada, UK)

6) Competencies

Good stakeholder management is a skill; it is vital that company individuals and stakeholders can connect and work well together, and that the stakeholder feels comfortable, confident, and engaged in assignments which match their skills.

Our interviews showed that finding those people who have the capabilities to manage stakeholders effectively is not always straightforward.

FACTOR	CHALLENGES	PROPOSED SOLUTIONS
<p>1. Finding the right personnel</p>	<p>Finding people with the right balance of skills is a challenge, particularly since many of these skills are hard to train.</p> <p>There is sometimes a mismatch in seniority of the stakeholder and the company point of contact, which makes it difficult to create a true partnership.</p>	<p>Prioritise individuals with strong communication and interpersonal skills, with a history of building trustful relationships with senior stakeholders.</p> <p>Staff stakeholder management roles with more senior individuals who ideally have both clinical/medical and commercial experience. These individuals should also have a strong network within the company and have the maturity necessary to handle different (sometimes challenging) personalities.</p>
<p>2. Appropriate management</p>	<p>There is a strong tendency of stakeholder managers to over-promise, resulting in lost trust and credibility.</p> <p>Ensuring that interactions and relationships are kept compliant.</p>	<p>The stakeholder manager must have the confidence to say no when necessary.</p> <p>Create absolute clarity on regulatory requirements, have clear guidelines on appropriate business communication principles, which everyone is familiar with.</p>

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