

Going Beyond the Pill - Part One: Why Services are the Next Blockbuster

A report by
**Executive
Insight**

In the first of a series of four articles, Executive Insight's healthcare consultants Meike Wenzel and Wendy van der Lubbe, examine the increasing requirement for pharmaceutical companies to provide services 'beyond the pill' in order to improve health outcomes and be commercially successful.



Meike Wenzel

In previous years, the role of pharmaceutical companies essentially began and ended with the research, manufacture and sale of healthcare products. It was a simple model - identify the unmet health need, pour the money into R&D, find a solution, and sell it for a high price.

But no longer. The challenges facing the industry are numerous and well documented, and impact every aspect of that model, but the fundamental 'issue' is that the industry is a victim of its own success. There are simply far fewer urgent unmet needs left in terms of required treatments. On top of this, it is an incredibly crowded marketplace, with the rise of generics and biosimilars accentuating this further.

This leaves us in a situation where most new drugs coming to market are perceived to have a somewhat limited value (e.g., incremental benefits over existing options) and need to demonstrate their value in a

much broader way beyond the treatment itself. So in this context, how can pharmaceutical companies both improve health outcomes and maximise the impact of their brands?

The answer may lie in a shift in focus rather than a complete overhaul of the traditional model.

Pharmaceutical companies must still identify the unmet need and find a solution - it's just that the greatest unmet needs (in 'developed' countries at least) are no longer the treatments themselves, but the systems and services which optimise their use throughout the patient journey. This is particularly true in chronic diseases, where there are substantial unmet needs within healthcare systems in delivering efficient and effective chronic care.

But why should the industry provide these services?

Some in industry might argue that

the strict regulations pharma is governed by do not allow offering solutions beyond the product.

But that would be missing a great opportunity. The 'customers' of healthcare products (especially physicians, payers, patients) are looking for the industry to step-up and be an active partner with them to help to deliver, track and measure the products that they are providing and the impact on health outcomes.

From payers who may want to see measurement tools in place to provide reassurance about a drug's benefit, to doctors who need materials to aid compliance with therapy, the genuine needs are there and pharmaceutical companies are ideally placed to provide them.

And importantly, this can give them a distinct competitive advantage. This is changing from a 'nice to have' option for pharma companies to be involved in, to an essential part of their strategy - if they don't adapt and start to provide targeted services beyond the pill, the sales of the pills themselves will be affected.

So what exactly do we mean by services beyond the pill?

Put simply, a service is any accompanying offering to a product that addresses stakeholder needs along the patient journey, leading to



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better health outcomes while at the same time providing a source of competitive advantage.

Many pharmaceutical companies would argue they are currently providing these kinds of services and have been doing so for several years, but we would suggest that most do not have a comprehensive service strategy in place which both provides solutions for unmet needs and a competitive advantage.

Those companies that have invested in services generally either offer specific services that have become a cost-of-entry to the market, and thus entail little potential for competitive differentiation (e.g., access & co-pay services in certain markets) or offer a wide variety of all kinds of services that make it hard to capitalise on the investment and very often fail to address real customer needs. The potential benefits of

developing a services strategy are significant. If we just consider adherence to long-term treatment as one of the greatest unmet needs in delivery of treatment, the estimated size of the adherence market alone in the US is \$46 billion for heart failure and \$71 billion for diabetes.

And that is just adherence to treatment; there are many other unmet needs, such as increasing diagnostic accuracy or developing thorough measurement tools, solutions which could help to improve health outcomes and give a company a competitive advantage.

The industry is uniquely placed to help all of its key customers (including healthcare professionals, payers, patients and others) to fill the gaps that exist in the current provision of care and in turn help to ensure better understanding, access, uptake and adherence to its own medicines.

In the next article we will investigate the types of services beyond the pill that the industry can deliver throughout the patient journey to various stakeholders.

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Going Beyond the Pill - Part Two: Why Services are the Next Blockbuster

In the second of a series of four articles, Marc Pesse and Lea Bucher examine how pharmaceutical companies must put the patient pathway at the centre of an integrated service strategy, to improve health outcomes and sustain commercial success.

In the first article in this series we examined how pharma companies must provide services 'beyond the pill', defined as any additional offering to a product that addresses stakeholder needs along the patient pathway, leading to better health outcomes while also providing competitive advantage.

Pharma providing such services is not new - it has become commonplace for firms to fund initiatives, technologies and materials relevant to the products they are selling. But too often such services have been developed seemingly at random, by different teams within the organisation, with no clear central strategy. The result has generally been a patchwork of different services that don't address true stakeholder needs and offer no real benefit to the company.

Servicing the problem

As the need for high quality services grows, it becomes essential for pharma companies to formulate a clear, integrated service strategy that will



Marc Pesse

provide overall direction and determine which initiatives should be launched, and how the components fit together.

The patient pathway should sit at the heart of that strategy, firstly to provide a structure to the strategic analysis, and secondly to act as a 'true north' in terms of ensuring all projects fulfil a genuine unmet need and improve outcomes for patients and other stakeholders.

The strategy should build on the current gaps and unmet needs along the patient pathway, and provide service solutions which offer mutual benefit.

But what kind of services are we talking about and how can these fit together?

Gateway to success

Let's look at an integrated example - Bayer's online patient resource for people living with multiple sclerosis; the MS Gateway (www.ms-gateway.com).

The MS Gateway is not just a website, it is the result of a well thought out service strategy, providing solutions for each stage of the patient pathway.

For example, patients at a relatively early-stage (e.g., post-diagnosis) have an 'Ask a Neurologist' online consultation service at their disposal, which enables them to consult with specialists in a completely anonymous environment, which at this early stage they may find more comfortable.

As well as being of great benefit to patients, the service raises Bayer's profile as a provider of genuinely useful, value-adding patient resources, helping to build trust, not only with patients, but with healthcare professionals and payers also.

Beyond the pill... or injection

For patients further down the pathway who are prescribed Betaseron, Bayer's interferon-based therapy for MS, the company provides a whole package of value-adding services via the MS Gateway, under the banner BETAPLUS. This includes the access for each patient to a 'BETA Nurse', MS-trained nurses available for individual consultation through regular visits and phone calls to aid patients with injection training, side effects concerns and any other general queries.

As well as being a tremendous resource for patients, this could also save



Lea Bucher

significant time for the general practitioners and other healthcare professionals involved in these patients' care. This is complemented by additional services such as myBETAapp, a smartphone app that allows patients to schedule, track and record Betaseron injections, all of which may help compliance - an outcome which would benefit all stakeholders.

Further down the patient pathway, the key objective for companies is to help patients optimise their own care and therapy to improve outcomes.

The MS Gateway offers a 'Wellness Corner', with exercise advice and several online games, to provide a positive influence on patients' feelings of well-being, helping to keep motivation and compliance high.

Benefits of being a service provider

A full pathway of value-adding services, such as provided by the MS Gateway,

fulfils three very important functions.

First and most importantly, it provides something of genuine value to the end-user - in this case, the overall patient experience is certainly enhanced by the MS Gateway. Secondly, it helps to optimise outcomes - this of course benefits the patient, but also healthcare professionals, payers and society at large. Finally, it clearly demonstrates the company's commitment, and the added value provided by the brand.

Services are only really impactful when they are part of an integrated strategy which shows a clear understanding of what is needed at all points of the patient pathway, and offers value-adding solutions when appropriate. Importantly, while the focus of each service is likely to be one or two key stakeholders, if they are part of a central strategy and if they are implemented successfully and with a clear end-goal, everyone benefits.

In the third article we will investigate how services beyond the pill can assist pharma companies at every stage of the product lifecycle.

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Going Beyond the Pill - Part Three: Four Reasons Services are the Next Blockbuster

In the third of a series of four articles, Meike Wenzel and Wendy van der Lubbe examine how the provision of services can give pharmaceutical companies an invaluable point of differentiation throughout the product lifecycle.

In this series, we examined how pharmaceutical companies must provide services 'beyond the pill', defined as any accompanying offering to a product that addresses stakeholder needs along the patient pathway, leading to better health outcomes while at the same time providing a source of competitive advantage. We saw why and how the patient pathway should be at the centre of an integrated service strategy.

The greatest benefit to the brand is associated with services that are part of an integrated strategy, devised long before the product comes to market.

If genuine unmet needs are identified and service solutions are planned for throughout the patient pathway, then there are benefits for the brand at every stage of the product lifecycle.

Countdown to launch

As in many other areas of life, products only get one chance to make a first impression, and the association of a package of valuable services can help to build a compelling case for a new therapy. In particular this may be of

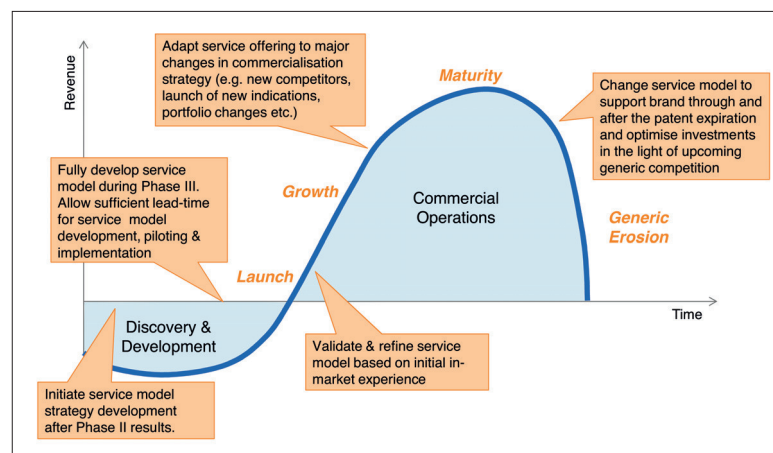
benefit with payers who are increasingly looking at the holistic impact of a new product before making reimbursement decisions. Some Pharma companies are already including patient adherence programs in clinical trials to be able to prove to payers the superior outcomes of the combined product & service bundle versus just the drug alone.

Services around launch often focus on building awareness, specialist education and diagnostic support, thus speaking to the commercial objectives of the product at this stage. At launch, access-related services (e.g. co-pays, clinic locators and appointment scheduling support) can play an important role in the initial uptake of the brand whilst servicing a patient need.

From growth to maturity

After launch, the primary commercial objective of the brand team is to establish the slope of the uptake curve and to maintain growth as long as possible. Strategically this can be achieved by facilitating healthcare professional exposure to the treatment and its benefits, optimising its use by patients once prescribed, and engendering brand trust and loyalty.

Services have a significant role to play in this strategy. Whether it's GP or patient education programmes, referral support, or enrolling patients into an overall programme, services can help to facilitate



the long-term uptake of the product, to the benefit of all. Comprehensive service programmes such as the MS Gateway from Bayer can be extremely beneficial to patients and help to personalise and tailor the treatment approach to them as individuals. As the product matures further, the company must continue to develop and refine its service strategy to stay one step ahead of the competition.

Services will almost certainly continue to focus on patient adherence, but also peer-to-peer services for patients and caregivers, and enriching existing programs with new features to maintain interest, motivation and brand trust.

Combatting generics at patent expiry

As the treatment nears patent expiry, the commercial objective is to maximize its

remaining potential.

Additional services (which generics companies cannot compete with) can add a compelling reason to prescribe the brand rather than cheaper alternatives.

There is perhaps no better example of how effective this strategy can be than Pfizer's approach to maintaining sales of Lipitor, the best-selling drug of all time, which went off patent last year.

To counter the threat of generic competitors, Pfizer implemented a post-patent strategy to maintain as much of the Lipitor market as possible.

This included offering a significantly discounted co-payment arrangement, where insured patients in the US were given a discount card to have Lipitor for \$4 a month, far below the \$25 average co-payment for a preferred brand-name

drug. Mobile-enabled services for patients with chronic conditions represent a significant opportunity for pharmaceutical companies. They provide an opportunity to connect much more directly with the patient and help to engender a sense of brand loyalty between the patient and the treatment, and even with the pharmaceutical company itself.

Conclusions

The provision of services can give pharmaceutical companies a point of differentiation throughout the product lifecycle. A well thought-through strategy will dictate the selection of services to be provided throughout the lifecycle.

The strategy will ensure a balance between the stakeholder benefit and return for the company. And in the end, a coherent strategy will make it easier for the field force to position the holistic offering to the customers ensuring you get more out of your investment.

In the final article in this series, we will examine how to develop a service strategy roadmap, which specifies the optimal services to implement and when to roll them out.

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Going Beyond the Pill - Part Four: Preparing for Implementation

In the final article in a series of four, Marc Pesse and Lea Bucher consider the steps a company must take to be ready to implement a comprehensive service strategy.

“The days of just selling the pill are over” - Adele Gulfo, president, Primary Care, Pfizer US.

In this series of articles we have been examining how pharmaceutical companies must provide services ‘beyond the pill’, defined as any accompanying offering to a product that addresses stakeholder needs along the patient pathway, leading to better health outcomes while at the same time providing a source of competitive advantage. We have looked at why the patient pathway should be at the centre of an integrated service strategy and why such a strategy is critical at every stage of the product lifecycle.

So how can companies start to put this into practice?

Think beyond the pill

The cornerstone is convincing the organisation of the benefits of ‘going beyond the pill’. In many companies, a shift in mind-set needs to occur at an individual and corporate level, acknowledging the huge potential of, and indeed necessity for, service provision by pharmaceutical companies. This might prove a challenge because pharma has generally put ‘the pill’ at the centre of its



Marc Pesse

commercial strategy development, which is understandable given the huge financial and time investments made for each product. But in the ‘beyond the pill’ model, the needs of stakeholders must be at the centre, with a package of services (including the pill) developed to match them.

A member of the LinkedIn group ‘Beyond the Pill’, which debates this exact topic, quoted Tony Hsieh, chief executive of successful online shoe retailer Zappos, who called his company “a service company that happens to sell shoes”. The point made was that pharma companies must try to move themselves towards this kind of mindset, with at least an acknowledgement that the products on their own are no longer enough, and services are essential to give the products the best opportunity to succeed.

Organise beyond the pill

Assuming there is the internal senior buy-in and commitment to service

provision in place, companies must ensure they are set-up correctly to be able to develop and deliver a service strategy.

Most importantly, a core team must be established, ideally long before launch of a new product, with the principal responsibility of owning and driving the beyond the pill programme. As the decision to focus on service provision impacts all elements of the commercial model, this team should include all key internal functions.

Marketing and medical should certainly be represented, while legal/compliance input is also essential.

External partners may be required to ensure any gaps in knowledge are filled (for example on the latest service developments, logistical and technical requirements, and cross-country implementation support).

The first task of the team will probably be to establish levels of funding and resourcing available, both at global and local levels. For the purposes of these internal discussions, it is important to be able to demonstrate how services can fulfil the unmet needs of key stakeholders, and can have a significant impact on company and brand KPIs, including sales.

Go beyond the pill

With funding established, the core group can develop the service strategy.

The service strategy should include in-depth customer analysis as well as disease, brand and competition mapping,



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resulting in a detailed assessment of stakeholder needs throughout the patient pathway. The completed mapping forms the basis from which the service model strategy can be developed, involving prioritisation of the service model components and development of the proposed solutions.

There are several critical success factors in the development of the strategy, including:

- Begin development well before launch of a product
- At all times keep the needs of the stakeholders (including crucially the patient) at the centre
- Consider that some ‘non-traditional’ stakeholder groups (such as caregivers or pharmacists) may be central to a particular disease area
- Co-develop (a number of) solutions directly with customers to ensure complete relevance and adoption from an early stage
- Consider involving experienced

external partners as and when required to assist with the execution of the strategy.

Conclusions

The pharmaceutical industry invests huge amounts of time, money and resources into the development of innovative and life-saving medicines and it is understandable that companies would want to keep these products at the centre of their commercial strategies.

However, by going ‘beyond the pill’ and focusing on the needs of the stakeholders who regulate, reimburse, prescribe and take the medicines, companies can provide targeted solutions which both help to contribute to better health outcomes, and create the optimal environment for their own products to thrive.

Implementing a few token-gesture services will not work; for the programme to have true mutual benefit, services must provide genuine long-term solutions for genuine unmet needs and in a way that complements the products on offer. Once in place, the implementation of a comprehensive ‘beyond the pill’ service strategy can benefit the company and all relevant stakeholders in equal measure.

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