

# The Digital Age: Tackling the Challenges and Embracing the Opportunity



The life sciences industry has always been incredibly innovative in its R&D and bringing new life-saving and life-changing medicines, devices, diagnostic tools, and products to market. However, it has often been a late adopter of new communication technologies, platforms, and channels – perhaps understandably, given the highly regulated life sciences operating environment.

In this digital age, with information instantly available with a few keyboard strokes or taps on the latest smartphone or wearable, our world is changing exponentially, and with it, the needs, wants, and demands of patients, carers, healthcare providers, and payers across the globe. Expectations are now for healthcare products and treatments to be accessible whenever and wherever they are wanted or needed, in the same way as consumable products. This paradigm shift brings both challenges and opportunities for life sciences companies that are developing and adopting different working models to try and keep pace and deliver against these changing needs.

Where the real opportunity lies, though, is not with tactical tweaks, but with the companies that truly can engage with this changing world and see the bigger picture; those that are looking to offer services beyond a pill. Looking to deliver true value-added services and aiming to put the patient at the centre of their activities is not new. Life sciences companies generally acknowledge and agree that it is both necessary and financially and morally right; however, putting this into practice is complex, costly, and time-consuming, and requires new behaviour from all stakeholders.

I spoke with Fonny Schenck, CEO of Across Health, Marc Sluijs, a digital health investment advisor, and Craig Le Grice, a cross-industry corporate strategist specialising in digital technology and transformational change, to get their views on how well life sciences companies are adopting new technologies, and where there may be opportunities to learn from other industries.

Marc is convinced that there are significant opportunities for pharma companies that can extend beyond the pill to impact and improve patients' behaviour and, in turn, their lifestyles. This could result in better health outcomes and, critically, robust data to support and justify why the approaches and product(s) of these companies are best.

To do this, though, Marc believes companies need to take a step back and recognise that chronic diseases such as diabetes, cardiovascular disease and obesity are among the biggest issues in hand today, and that for a number of these, medication is not the solution. "If life sciences companies continue to focus on purely providing drugs, then they are only capturing a small part of the healthcare ecosystem and should instead be looking at the opportunities new technologies offer to extend up- and downstream to capture and influence a much greater share of healthcare," he says.

Fonny concurs with this, and adds, "If life sciences companies do not extend their go-to-market models, then they will find their product markets shrinking as entrants from other industries focus on lifelong prevention rather than cure." This is centred around two very short periods in life only: the first-six-months and last-year-of-life segments. "Life sciences is a highly profitable industry that has till now had high barriers to entry, and so there needs to be a reason to change."

A 2013 report by Capgemini showed that digital leaders outperformed their peers in every industry. The same report detailed pharma as being less mature than other industries, although it noted that "many are building capabilities in analytics and worker enablement, but most firms are just beginning their digital journeys, leaving many opportunities untapped."

Fast-forward two years and the findings from Across Health's seventh annual survey on digital maturity in life sciences shows that for the vast majority of life sciences companies, little has changed. "Satisfaction with digital is

low, therefore budgets do not increase, which in turn leads to suboptimal programmes with limited impact and back to lower satisfaction...creating a plateau of improductivity." However, what was clear was "a difference in speed in the market – around 14% is implementing multichannel very quickly, is spending significantly more than the average, and feels comfortable with impact measurement, etc....multichannel @ multispeed!"

Craig's view aligns with Marc's and Fonny's, believing that we're living in a time of unprecedented change – and opportunity. When asked what the biggest opportunity that lies ahead is, Craig says, "Simply, we realistically have the opportunity to have everything we've ever wanted in terms of consumer/end-user engagement.

"For years, marketers have desired one-on-one connections with consumers, but have been held back by the logistics of doing so. Big pharma has dreamed of a 'one product, many applications' scenario for key care areas. Research has yearned for (non-drug) test bases in the millions, not hundreds. Technology, digital transformation, and data bring all of these a step closer."

Are there any other industries that life sciences companies can be learning from?

Fonny believes we can learn more from those working in the B2C arena than those in B2B. Marc suggests that some aspects could be learned from the gaming industry, as it has developed sophisticated approaches to engaging people in virtual activities that could be leveraged in life sciences. While many may think we could or should look to the technology sector, Marc's view is that technology is an enabler, not necessarily the solution, and the big challenge is to figure out how we can effectively influence consumer behaviour in order for people to change habits that negatively impact their health. This is where technology can come into play, with tracking/monitoring devices allowing us to collect data on people's behaviour and ultimately the impact



on their health. This will then allow the teams of specialists, data scientists, and clinical psychologists to establish drivers of behaviour and develop the algorithms to remind, reward, or motivate changes in behaviour at an individual level.

This is not something new. UK supermarket Tesco led the consumer retail field tracking of consumer behaviour through the introduction of its Clubcard in the 1990s, which allowed the company to track consumer purchases and subsequently segment marketing activities based on purchasing behaviour. Imagine the data sets we would have now if we'd had the capability and regulatory environment to capture healthcare behavioural data when Tesco started these activities more than 20 years ago.

Craig likes the nod to the retail sector – primarily because it serves millions at any one time, while having to adapt to individual needs. These are often very specific needs, led by desire – one of the hardest areas of consumer “want” to match products to.

Craig also suggests that financial services is a sector of interest for life sciences. This is partly because it is also heavily regulated, and partly because much of its business is structured in the same way as that of life sciences – often with major “brand attractors” (such as current accounts for banks and over-the-counter drugs for life sciences) as loss leaders in order to build relationships

and trust, so the investment in “life stage-specific” products (such as mortgages for banks and long-term care programmes for life sciences) can be realised later. The opportunity provided by technology, such as wearables, should be focused on gathering intelligence and insight, which would allow companies to close the gap between the two. Craig believes this is a win-win scenario – good for business and good for patients.

Today, it is encouraging that a number of life sciences companies are beginning to catch up with other industries in their digital implementation, shifting some of their offline activities to online and adding digital to this mix, as well as shaping, organising, and resourcing around digital. However, these shifts are mainly incremental and still primarily product-focused.

Life sciences companies which are making the strongest inroads interestingly appear to be the companies that have had, or are approaching, major patent expiry. AbbVie, AstraZeneca, Lilly, MSD, and Pfizer are referenced as companies that are well perceived in their activities. Many are watching with interest to see the outcome of Otsuka’s partnership with Proteus Health and their submission to the FDA of the first digital medicine NDA. The technology embeds a sensor in a tablet to digitally record ingestion and, with patients’ consent, share that information with their healthcare providers. If approved and shown to have positive

impact on patient adherence, will this open the floodgates for digital medicines?

Looking to the upcoming year, Fony and Marc are both excited about the technologies now available that allow things to happen on a much bigger and feasible scale and can be replicated and complemented with automated processes. Fony believes creating and building intelligent data repositories will really assist companies in optimising their channel mix and digital strategies, improving their customer models and cost-effectiveness. For Marc, what represents such a great opportunity is that we can now have a much more complete picture of health than ever before, way beyond clinical values and biometric data, which gives companies far greater insight into patients’ moods, social activities, and overall wellbeing.

Clearly, new skill sets and knowledge are required to devise and deliver digital strategies in the rapidly evolving digital age the life sciences industry now finds itself in. Are you happy that you are ready for these changes? And, crucially, do you have the senior team to leverage these changes for maximum opportunity?



**Susan Macdonald.** A nursing graduate, Susan spent 17 years working in a number of commercial business development and project management roles for both ethical and generic pharmaceutical companies. Susan then spent 10 years working for a specialist life sciences executive search company, living in Europe and Asia where she managed their JV in China then their Asia operation from Singapore, before returning to the UK to manage key global client relationships and undertaking global, regional and country-level senior executive searches. In 2016 Susan founded MLA, a boutique life sciences resourcing company. Susan and the MLA team fuse their direct life sciences heritage, knowledge, skills and networks with those of their cross-industry specialist advisors to support life sciences clients wishing to attract transformational, senior-level individuals in this rapidly evolving digital world. Email: susanm@mlal.co.uk