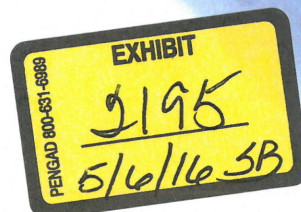


Insights into Pharmaceuticals and Medical Products

Winning launches: using analytics and creativity to create superior Share of Insight

Pharma Analytics

Hemant Ahlawat
Paul van Arkel
Jamie Cattell
Fanny Cavalié
Giulia Chierchia
Michael Edwards
Benjamin Hughes
Vivian Hunt



NPS Ex. 2168
CFAD v. NPS
IPR2015-00990

Article at a glance

Why is this important?

Launch is one of the most critical moments in a product lifecycle. For 85% of Pharmaceutical launches, the product trajectory is set in the first six months. Historically, limited real-life insights and an inflexible commercial model made it impossible for Pharmaceutical companies to monitor performance dynamically and make course corrections.

What do I need to know?

The wealth of data now available in the form of claims, clinical and social media data, is increasing the industry's ability to respond to increased market complexity, and enables the adoption of leading practice from other industries. These trends are shifting the basis for competition in Pharmaceutical launch away from Share of Voice towards Share of Insight. With this increased data transparency, winning launches will require Pharma to harness new sources of information to develop superior real-time insights, and rapidly operationalise decisions based on these insights.

How do I make it happen?

Organisations need to tackle three areas: Secure access to the most valuable data (including through collaboration with payers, providers, academics, and third parties), develop unique granular insights by combining advanced analytics with creativity and visualisation technologies, and create organisational flexibility including creating a "Launch Situation Room" to rapidly course correct launch plans.

The day after Hollywood releases a new movie, studio executives know who watched it, where, and what they thought about it. Similarly at Procter & Gamble, where the first three days of a product launch are critical in determining its success, brand teams monitor product launches and adjust their strategy in close to real time. For both Pharma and payors, it is already possible to know for drug launch in close to real time: which doctor prescribed it where? To which patient? What the doctor and patient thought about it?

The data explosion in healthcare is shifting the basis of competition away from Share of Voice towards Share of Insight.

Why this is important

Launch is one of the most critical moments in a product lifecycle. For 85% of Pharmaceutical launches, the product trajectory is set in the first six months.

Historically, limited real-life insights and an inflexible commercial model made it impossible for Pharmaceutical companies to monitor performance dynamically and make course corrections. To be fair, until recently, success did not require companies to make swift adjustments to their well-prepared launch plans.

But the world has changed.

On the one hand, launching products has become more complex because the healthcare environment has become much more dynamic and diverse. Continuous shocks across the healthcare and competitive environment, and ever-higher local access hurdles require granular, real-time insights and rapid reactions. Given the complexity and diversity of treatment pathways (by area, or even by provider) and material difference by TA and HCP, Pharmaceutical companies need a detailed understanding of local adoption patterns and a fine-grain monitoring of local deviations.

On the other hand, the wealth of data now available is increasing the industry's ability to respond to increased market complexity. Data sets are exploding in healthcare in the form of claims, clinical and social media data. Although the ability to access these data varies by market, the direction of travel towards increased transparency is a common element for most markets. For example, in the UK, GP practice level script data has been publicly released ever since December 2011.

These trends are shifting the basis for competition in Pharmaceutical launch away from Share of Voice towards Share of Insight. With this increased data transparency, winning launches will require Pharma to harness new sources of information to develop superior real-time insights and rapidly operationalise decisions based on these insights.

What does excellence look like?

Insights alone, without a rapid ability to respond with impactful actions, would make all of this no more than an expensive toy. Business impact requires the ability to flag any potential deviations from plan, and rapidly launch course correction actions. Leaders that excel at rapid translation of insights into actions reduce response times with thorough scenario planning before they launch – prioritising risks, creating insights into what may go wrong, detailing corrective action plans. Additionally, leaders create an effective and efficient cross-functional decision-making process to enable rapid adjustment of commercial tactics in reaction to competitors' actions, customers' reactions, and distribution hurdles.

Pharma can learn lessons from other industries that already live in and have adapted to the world of real-time granular insights. Across FMCG, High-Tech, Telecom and Automotive, companies have industrialised their insights generation process, creating "War Rooms" or "Control Towers" where marketers can visualise how well recently-launched products are performing at a granular level. For example, in FMCG they can see which retail chains show product sales taking off and which do not, why, and take immediate corrective action.

What could the Pharmaceutical industry take away from this? We see three areas where the industry could leverage the wealth of data to accelerate launches through distinctive real-time insights:

- Develop differentiated granular customer insights to individualise launch plans at locality, prescriber and patient level
- Step up the rhythm of insight monitoring to flag any deviation before it is too late and adapt launch plans on the fly
- Build a more sustainable capability to lever insights over the full growth footprint and life cycle of key assets.

Differentiated granular customer insights and individualised launch plans

Many Pharmaceutical companies find it challenging to create sufficiently differentiated, granular and actionable customer insights, hindering the ability to fine-tune launch tactics to specific customer segments. Like the apocryphal story of the blind men feeling the elephant, marketing, market access and sales teams tend to generate different views of the customer which are difficult to integrate into a single actionable customer view. Marketing teams develop increasingly sophisticated attitudinal segmentations based on deep customer insights. Sales force targeting remains driven by a mix of customer value (A, B, C, D) segmentation, complemented by qualitative insights from field force interaction with customers. Market access customer insight approaches are difficult to generalise, though they are typically regarded as being the least crystallised and in many cases lacking sufficient actionability.

It is now possible – and a requirement for success – to do much more to master the complexity of local pathways, and differentiate against fierce, fragmented and dynamic competition. Specifically:

- Launch teams need to gain unique insights into prescriber behaviour, payer needs, competitive dynamics and patient profiles
- Launch teams must harness these new insights to tailor their launch plan to each customer's characteristics.

Adopting this approach will require the launch mindset to shift away from one monolithic country launch to multiple individual launches which dynamically flex timing, target customers, channel mix, and resource levels. There are three areas of launch insight where the approach is particularly applicable.

- The first area is **identifying and targeting innovator physicians** – the first physicians to step beyond the current treatment paradigm. The idea of targeting “innovators” is not new and is an integral part of most launch preparations. What is new, however, is the exponential increase in the ability to identify and understand innovator physicians as a target group. Historically, companies had to run market research with a limited number of GPs to define segments, and rely on their sales force to categorise prescribers; for example a top 10 Pharmaceutical company categorised the GPs they were already visiting into “innovator”, “conformist” and “traditionalist” prior to a diabetic launch. With the degree of information now available it is possible to calculate an “*innovativeness score*” for the entire universe of GPs with a high level of accuracy based on their actual behaviour (mix of drugs they are prescribing, the speed of adoption of new treatments). It is also possible to elucidate other factors that influence prescriber decision making (e.g., size of practice, age of physician, degree/role of nurse prescribing, collocation with dispensary, economic constraints) and individualise the engagement model accordingly (e.g., mix of channel matching their age and location).
- The second area where more granular and actionable customer insights are required is **payer segmentation**. At a time when healthcare budgets are under enormous pressure, launch teams need to go beyond traditional payer archotyping approaches to understand the **affordability level of individual payers** – up to thousands of them (e.g., PCT, CCG or hospital in the UK, GP practice or sickfund in Germany). In a similar way to the innovator example above, it is possible to derive individual payers’ “*affordability score*” from e.g., publicly available financial statements, disease incidence rate, and level of generics prescription. Based on this score, the launch teams can more easily optimise the product value proposition to each payer. For example, for local payers with limited short term funds and significant potential budget burden, launch teams could consider delaying launch, or offering a discount for the first three-to-six months.

For payers with structural deficits, launch teams could explore collaborations around pathway re-design to identify where to free up money. Based on the level of attractiveness and preparedness of local accounts, affiliates should also decide where and when to switch on the sales force, and re-deploy resources where it matters most.

- The third area where granular insights are critical to the long term success of the brand is in **understanding which patients receive the new drug**. While brand teams have traditionally developed patient profiles and aligned these with the sales force messaging to make it easier for clinicians to ‘recognise’ appropriate patients, it is now possible to take this approach to a new level, by capturing data on the patients that are actually receiving the drug to identify where the patients are coming from (previous treatment), what they look like (demographics), what their medical history is (lab results, scores, events) and how they behave (adherence and switch history). This enables the *actual patient profile* to be understood in addition to the outcome and whether physicians (and even patients) perceive the experience as a success story. During launch, sales representatives now have the actionable insights to identify which patients are being treated with the launch product, and working down from the best fitting patient types, identify and discuss with the physician the next patient cohorts that could (or should) be transferred to the new treatment.

Live insight monitoring and adaptive go-to-market approach

Launch teams increasingly go through the first months of launch with a level of frustration that equals, if not supersedes, the level of excitement. This is because they routinely lack timely and accurate information on what’s really going on. In many cases, even if launch teams had better access to the right information at the right time, it would be challenging to take appropriate and timely action. Typically, after spending months perfecting the launch plan, execution is delegated to the sales force and there is limited opportunity to intervene and adjust in response to evolving market dynamics. Usually the next opportunity to adjust the launch trajectory in a meaningful way is during the next planning cycle – when six crucial months may have passed.

With the higher frequency of information now available, and with an increasingly flexible commercial model (e.g., multi-channel, variable salesforce resource and territories, flexible resource allocation process), launch teams are for the first time able to course-correct and fine-tune the trajectory of a drug with greater precision and timeliness.

For example, the industry is already exploiting patient level data in the US such as iKnowMed™ which captures the insight of community based oncology practices across the US in real time, and provides instant information on individual prescriptions and related claims. One Pharmaceutical company uses this information to detect potential bottlenecks in treatment or administration: it can immediately flag if a specific doctor's claim was denied because they recorded the wrong price in the system and then reach out to the practice to resolve the issue. Interestingly, in this specific case, the sales channel, with its four-week call cycle, was not sufficiently responsive to take advantage of this new opportunity and phone and digital channels had to be deployed to provide the real-time ability to respond to customer needs. In Europe, even though there is less commercially-available data, various patient level medical records can be accessed at least on a bi-weekly basis (the costs of more frequent access are usually too prohibitive) and online panels, social media and field force can provide continuous updates. Frequent updates need to be interpreted with caution since variations may be driven by a limited number of data points or by temporary factors. However, those rapid feedback loops are absolutely necessary to flag unexpected deviations from the plan, trigger immediate investigation – and, if required, rapid action.

For instance, if the first prescriptions of a new drug are limited to a subset of the target population – one that is easier to acquire – the brand growth will flatten out after a few months, when it is too late to change the “niche” perception of the drug. Additionally, if the first prescriptions go to off-label patients, safety issues may compromise the brand image in the first months of launch. It is therefore critical to intervene to understand why the first adopters do not prescribe to the right patients, and rapidly act to mitigate the risk.

Furthermore, monitoring the drug perception close to real time through social media or medical record text mining can flag unexpected reactions that could be linked to competitors' actions, uncommon patient side-effects, uneven sales force execution, etc. Those unexpected events may hinder the drug trajectory if not corrected quickly.

Although the old saw, knowledge is power, applies in launch, winning launches based on Share of Insight also requires timely insight-driven modification of tactics (and sometimes strategy). What this practically means for a launch team is that, if empowered, they can adapt more than 80% of the launch plan on the fly by adapting messages (e.g., communicate the risk for off-label patients if the first prescriptions are inappropriate), developing new tactics (e.g., tools to identify the right patient), and re-deploying resources across areas (e.g., towards accounts with changes in protocols/pathways or unexpected competitor actions) or across channels based on initial feedback and impact.

How to make it happen

Convinced of the opportunities to step up launch insights for business impact but sceptical that it can work in Pharmaceuticals? While acknowledging the greater complexity, opacity, regulation, and fragmentation of Pharma compared to industries such as FMCG and High-Tech, we strongly believe that the industry can leverage the ocean of new data to individualise and adapt launches in an effective and practical way. The following three actions are required to seize the opportunity.

- Secure access to the most valuable data – including through collaboration with payers, providers, academics, and third parties
- Develop unique insights by combining advanced analytics with creativity, and investing in visualisation technologies
- Create a “Launch Situation Room” to rapidly course correct launch plans.

Securing access to the most valuable data

Although Pharmaceutical companies inhabit in a world of rich data, they often under-leverage most of the available information. For example, sales force feedback is often poorly captured, social media data are considered too dangerous, and payer and provider data are hard to access and analyse. This does not mean that Pharmaceutical companies should try to digest as much data as possible. Volume of data is a poor proxy for value. The first important step is to make an inventory of the available information sources and prioritise the data sources that lead to the most impactful insights.

The second is to secure access to the data. For example, private and public payers (Sick funds or research institutes such as BIPS¹ in Germany, Assurance Maladie in France) sit on highly-valuable claims data. Hospitals also have large episode data sets (HES² in UK, PMSI³ in France). Both types of organisation perform basic analysis and start experimenting with outcomes research, but they are under-exploiting their data. Why? Limited analytic skills, and until recently, limited need. With healthcare cost reduction now imperative, they are much more keenly interested in a granular understanding of their patient pathways and associated cost drivers. Pharmaceutical companies are able to bring analytic skills and additional investment to make the most of existing data in a win-win collaboration. A joint data mining initiative could enable monitoring of whether the right patients are getting the right drugs, in addition to uncovering patient adherence patterns and related outcomes.

¹ Bremen Institute for Epidemiology and Prevention Research

² Hospital Episode Statistics

³ Programme de médicalisation des systèmes d'information

Combining the power of advanced analytics, creativity and visualisation

There is an ocean of data out there – accessible to you and to most of your competitors. Many data are underleveraged and also sitting in silos that make it difficult to create holistic customer insights. With the right analytical smarts and creativity you can develop insights that others don't have by identifying the micro-segments that drive your brand, monitoring the dynamic of those segments, combining data from different sources (e.g., claims, hospital episodes, social media, field force) and by simulating and predicting customer response (e.g., modelling GP prescribing budget trajectories to anticipate when their behaviour might change).

Analytics is nothing without the ability to visualise complex data in an intuitive and actionable way. To leverage the full power of the data it is critical to use the latest visualisation tools and adapt them to the channels that make sense for the person consuming them (e.g., by putting them in each rep's pocket on their smartphone).

Imagine an interactive map of the UK where shapes and colours indicate the level of innovation, preparedness, and penetration of individual practices. Where you can point at St Thomas' hospital and immediately see the protocol status, level of clinical support, and number of new prescriptions. Visualisation technologies can be leveraged to generate intuitive insights, enable comparisons across accounts, localities, patient types, prescriber segments, provide real life updates and flag information that matters (e.g., early deviation from the plan). Digital channels can also be used to deploy this insight and visualisation tools to the front line on a smart-phone, some of these tools and insights can even be shared with customers to create a shared conversation around the local health ecosystem based on the best available insights.



Establishing a “Launch Situation Room”

Mature launch concepts from other industries’ – “War rooms” and “Control Towers” – are equally relevant to Pharma. Affiliates should establish a “Launch Situation Room” with the following elements:

- A dedicated team of cross-functional decision makers
- A physical location with ability to visualise launch insights
- A top management mandate to rapidly adapt the launch plans in order to accelerate the uptake.

The Launch Situation Room is where the brand lead holds frequent (weekly or bi-weekly) action-orientated working sessions with the cross-functional team and the organisation’s key decision makers – including the country managing director, VPs of marketing, sales, medical, compliance, and market access – to discuss collected feedback and agree on immediate actions going forward.

Those course corrections are only feasible if affiliates set up an agile commercial model – leveraging non face-to-face channels and technologies (e.g., iPad detailing, webex), a flexible resource allocation system, and a versatile sales force that can effectively work in different territories and swiftly move from one account to another.

In addition, to the above, it is critical that organisations avoid the pitfall of using the new sources of data as a performance control tool. The greatest value is in informing local decision making (rather than above market performance management).

New data combined with analytics and creativity create opportunities to compete based on Share of Insight. Rapidly seizing the opportunities will require you to:

- Develop a synthetic but nuanced view of the actual data available in local health systems or from vendors, and identify under-exploited internal and external data that could inform valuable decisions
- Establish who (in or outside your organisation) is able to aggregate, analyse and visualise insights from data, incorporating best practices from other industries to develop actionable insight for day-to-day decisions
- Examine your current commercial insight refresh rate and the ability of the organisation and launch team to incorporate insights for rapid course corrections, including the potential to build more flexibility into day-to-day operations
- Determine the right way to mobilize the organisations, including identifying the high priority brand challenges suited to pilot and demonstrate value and the appropriate leadership to drive significant change to organisations and processes.

Key contacts

Jamie Cattell
Principal
London office
+ 44 (20) 7961 5280
jamie_cattell@mckinsey.com

Fanny Cavalié
Associate Principal
London office
+ 44 (20) 7961 6080
fanny_cavalié@mckinsey.com

Other contributors

Hemant Ahlawat
Principal
Brussels office
+ 32 (2) 645 4012
hemant_ahlawat@mckinsey.com

Michael Edwards
Principal
London office
+ 44 (20) 7961 6660
michael_edwards@mckinsey.com

Paul van Arkel
Principal
Zurich office
+ 41 (44) 876 8435
paul_van_arkel@mckinsey.com

Benjamin Hughes
Associate Principal
London office
+ 44 (20) 7961 6390
benjamin_hughes@mckinsey.com

Giulia Chierchia
Associate Principal
Brussels office
+32 (2) 645 4206
giulia_chierchia@mckinsey.com

Vivian Hunt
Director
London office
+ 44 (20) 7961 5633
vivian_hunt@mckinsey.com

