



# DRIVING DIGITAL IN BIOPHARMA

## AUDIO TRANSCRIPT

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Intro: You're listening to Driving Digital in Biopharma, a podcast from Accenture. Your host is Tom Lehman.

Tom: Welcome to episode three of Driving Digital in Biopharma. My name is Tom Lehman, and I'm your host for today's discussion and this series. Within Accenture's life sciences business, I lead our global biopharmaceutical R&D consulting business. And in that role, I have the fortunate opportunity to spend the majority of my time with our clients and our people, focused on not only developing digital strategies to enable R&D, but also working with our clients to implement and scale those digital solutions. We're happy to continue our podcast series on the topic of digitalization and biopharma R&D as we explore the experiences and the progress that has been made with digitalization in our industry, as well as the challenges that organizations have faced along the way. In this episode, digital is greater than technology; we'll talk with Guido Radack.

Guido is a vice president of strategic initiatives in clinical development at Bayer, where he has been for more than 14 years. At Bayer, Guido has held a variety of positions within IT and the business and has spent the last few years helping to shape and drive Bayer's digital strategy for clinical development. Guido, it's great to have you here today. And I'm looking forward to our conversation.

Guido Radack: Hello.

Tom: For the past few years, you've been in a clinical innovation role at Bayer. What are the objectives of that role?

Guido: Well, what we see is that there is so much going on outside of Bayer with regard to the development of technology, and what we believe is that technology is a driver in improving

the way we run our business.

Even though the processes in clinical development haven't changed much over the past years, there is new ways how we can do things. How we can digitize certain processes, how we can automate. And this is what I'm after; this is how I support our business functions.

Tom: So it's a great point, actually, that clinical development as a process area has not changed all that much. Have you seen the focus of your role change, or the objectives along with that role, changing?

Guido: What has happened is, I was always interested in finding new ways to improve things, the way we do things in Bayer. And I have done this in previous roles, but I also do it now in this role. I think the main part is to understand, what does the process look like, what is the problem which is in that process, or in the way how we do it.

And then you try to find an answer by reaching out then to others, talking to others to listen and to read about technologies and capabilities which are out there. And then you try to combine the two things, driving it to a better way.

Tom: As you see technology, I'd say evolving at a faster pace, and you continue to look at the clinical development functions and the needs, are those two things then coming together to help you form strategy – or a digital strategy – for clinical development?

Guido: Yes. What we see is as we develop in our business, and deliver new products, new medicine to the market to meet the needs of our patients; we also try to do it in a more efficient and a faster way by using these new technologies. And to do so, then, you have to have a plan at some point. And what we did, we started, I would say now after, even before I took over that role, thinking about what in our specific

function, our way over the next five years could look like.

And we have no regular meetings every six months, and looking into this, and then we adjust if something has changed. And then, at the same time, there is an awareness also now in not only in Bayer but in Bayer here in our function, where we say, “well, this also needs to be supported by the other functions as well.”

And we have formed, I would say 18 months ago, what we call the digital council, which is a group of representatives from the different R&D functions, really from research to late-stage development. And we sit together every month, and we talk about our strategy, and we talk about the projects which need to be done and to bring forward.

And from that angle, I’m very happy to see that there is a support and there is an awareness. There is a necessity to have these kind of discussions, and not only in a single environment, in one function, but across the functions.

Tom: Which is great. I mean, one of the things that we’ve observed is there seems to have been a lot of siloed activity when thinking about what digital can be, what it can do for an R&D organization.

So that’s great to hear as far as progress, and a bit different than, I’d say, how a lot of other companies are handling it right now. Is that also connected into an enterprise-wide strategy? Or is this really just focused on R&D right now?

Guido: I think it is. It happens at all levels at Bayer; this is correct. The question is always okay, so what is the right level of detail? The higher you go, it can maybe only be very cross-functional, which is not very specific for that function you’re supporting. But there is a kind of a foundation which needs to be built, and you need to provide also an environment which supports all of these activities.

And that’s certainly happening right now on even higher levels in Bayer. So the way I look at it is, we have now an R&D digital council – and I know for sure in other areas, so there are other similar types of governance structures in place. And now, we are right now in a discussion, how we can bring at least some of these together on a pharma level to talk about some of these topics which are relevant for all of us at the same time. So it is really nice to see the more detail, the

more detailed you will be, or you have to be, then this is happening in the function. But this is always supported then by a kind of an aggregation level on top of you.

Tom: And do you also see an influence from the therapeutic areas, or more of the portfolio or asset side of this as well? Because we see that often as a misalignment, where there may be something within the operational side of an R&D organization. But it seems to be for whatever reason disconnected from the portfolio and what the therapeutic areas may be driving as far as their priorities?

Guido: That is an interesting question. I don’t think there is a disconnect. I think there is just a different view. When you look at the therapeutic areas, they have a complete different goal. So they are there to think about, okay, so what could be the next big drug we bring on the market? And they are not so much technology-focused, and they don’t need to be. But when it comes in to the operational units like ours, in our case, it makes a lot of sense, and to streamline the process, to introduce new ways how we do things. And I think we just need to work much closer together, and this is also a topic we have addressed here.

So we have regular exchange with these functions. We talk about not only the clinical trials and how to move that forward, but then we also introduce, let’s say our ideas, and our ways how we can do things. I would say there is a connect. Can it be better? Always, but I would say we’re in a very good way here.

Tom: Okay. Let’s pivot along those lines to value. One of the things that we are generally seeing in the industry is the difficulty with measuring both the impact and then associated value of digital of investments in new technologies, or the willingness to change the process or the historic ways of working. How is that playing out for you at Bayer?

Guido: That’s another interesting question, and my view on it is that we always need to differentiate between two different areas. One is short-term investments, there is an immediate problem, and there is a life cycle management activity. This requires short-term investment. And in some of the cases, we cannot even avoid it; we have to do it in other cases, we’re happy to do it. But when you talk about digital, and when you look into the industry, we are.



So we usually talk about investments in the million-dollar range, or maybe even double-digit range. And this is not that you switch on and off on an annual basis from one system to the next. It would be way too expensive, it's not feasible. So that's why you have to bring in like a mid or long-term planning. In the middle of long-term planning, then it's difficult then to come up with the traditional way how you calculate in the return of investment.

Because some of the things will change over the period of, let's say, four to five, six, seven years, whatever. And this is where I think we also need to learn. We need to learn that we cannot always show an immediate return of investment if we think about these things. But we need to understand what could be the benefit after a certain time. And then make the decisions accordingly.

Tom: So recognizing in the medium and longer-term, there's a bit of an intuitive belief you have to have that it's going to create value because it may just take longer to get there. Are you finding, particularly in clinical development, that there are leading indicators to say okay, if we see this or that, then we're on the right path, and let's continue to ambassador, continue to focus on scale?

Guido: Well, the investments, most of the investments we take, right now there are, let's say, in the mid-term or long-term range. There's a lot of investment also on the shorter range, which is primarily in the life cycle management area. But when it comes to these strategic investments, they usually take a bit longer. And first of all, we see that some of their technology can help us to do the job better we have today. But then, there's also a kind of a belief in that technology. For instance, just to give an example, going back now, I would say four years, almost five years, and we started looking into devices to be used in clinical trials. And this was at a time when I think nobody had it really on the radar, and we had to fight also then the investments we made at the time, just to fund the projects.

But there were people believing in it and foreseeing that it might become a topic. And so we invested in it, we built the platform. We have a platform today, which helps us to ingest data from devices like a smartphone or like a sensor. And so now we are in 2020, the position to say

yes, okay, because we started so early, we have it now available.

By others who start now, they still need two or three years to ramp up. And I think it sometimes just also requires, yes, that innovative strategic view to put their money on the right things.

Tom: And have you seen a change in thinking, or maybe a different perspective here over the last several months? It feels today that no conversation is complete without a mention of COVID-19 and the disruption that has brought to clinical. Were the steps that you had taken, investments you had made, helpful as you worked your way through the disruption that came from COVID-19? And even perhaps thinking beyond, to say maybe this is a permanent change in the way that we consider clinical trials?

Guido: What I can tell you is at least in the areas we had influence on, we haven't seen any disruption. Which means the technology we have put out there has worked. And that has worked despite of COVID. What didn't work is, of course, yes, patients can't go to sites, and it's difficult to reach out to them. That all doesn't work, and that had also slowed down some of the activities we have. But when you ask me about the technology, I would say obviously we were prepared for a situation like this, even though we never planned for it.

What I see is coming out of the situation is now, first of all, there is an understanding and a belief that technology can help much better than it is in the past. And we can also work from home doing the same job, and we don't need to go to an office. Now we could argue whether it's good or bad, some people like to be in the office, some people like to work from home. But the technology is ready, and to support of these new ways of working.

I believe that if COVID did not happen, then we'd probably have followed some of the traditional ways of doing things. They were not bad, but now COVID gave us a chance to test a few things which are quite new.

And I believe some of these learnings, they will translate now into solutions or new ways of working. And this is what we talk about, what are the new ways of working when it comes to a "new normal" what we call it.

Tom: I would say there's a growing

acknowledgement that that is what our future is going to look like. That originally, we were talking about what we'll be like when we get past COVID. And now I think it's more about, there is this recognition that this is the future, right? In some form.

And perhaps it's the catalyst that this industry needed. As challenging that may be to look at it that way, the reality is we needed some type of an intervention probably to really force people to think differently. Because I think one of the areas that we have seen in the research that we've done suggests that the risk aversion to change is a big impediment to the adoption of digitalization within R&D.

And a lot of that, I think, stems from the fact that people are very comfortable with the way things have been operating. You mentioned before the clinical development hasn't changed for years. And it's not unique to clinical, right? You could argue that's the same for a lot of the different process areas. Whereas I think the last six-seven months have just really forced a lot of people to think differently to your point. Just basic ways of working, like working from home versus working in an office, but also how do I engage with investigators and patients.

And so can we get past that risk aversion, I guess is the point. And then maybe just reflecting on your experience at Bayer, do you see risk aversion as an impediment to scale? Lots of experiments, but does it get in the way of saying, okay, we've seen enough, now let's really force for some change?

Guido: There is a simple answer. What I see is, yes, pharma in general, I think, is risk-averse. And this is because we have patients in front of us. We have to make sure that there's at no time any danger, any harm to the patients. So we can't let's say, lower our expectation with regard to what can we do to keep the patients safe. From that angle, I would say that's probably the same also; after COVID-19, that won't change. But what I see is, we have had discussions in the past, okay, can we work from home? Do we allow people working from home, and how many times do we need to go to assign patients? Do they have to come to the site? And I think it allows us now to discuss more openly and freely about these new opportunities. Let's call them opportunities which are out there.

And the possible clear, okay, patient has to go to

a site. So these days, no, we learned the hard way. Now it's not always the case, and now we start thinking about solutions, and decentralized clinical trials is a good example. So what can we do now to – if I say benefit from it then it sounds bad – what I mean is, we were forced into a situation, but this forces us also not to find new ways how we run our business.

And COVID has helped us; here, the situation around COVID has helped us here to develop these new solutions. It's still at the beginning, but I think we are now going in a direction. If you can bring the clinical trial to the patient, then it could be very beneficial for the patients. And we still have to prove it; we are still at very early stages. But yes, it changes the way how we do it.

Tom: So you've had to in the past prioritize where you focus. There's no shortage of opportunities, and as you mentioned, DCT (Decentralized Clinical Trials) being one that's emerging as currently a big opportunity, I think, for all pharma companies.

Reflect a little bit on where you've been as far as how you've prioritized, and perhaps if you can share some examples of where you have made progress and how you've approached those opportunities.

Guido: Okay. Decentralized clinical trials is a very concrete example. Already, I told you that we have started looking into sensors. Already a number of years ago, not that we introduced them already in clinical trials, but we prepared everything, we tried to understand how it all works. But I have another example where we set up a program one and a half year ago where we said, okay, what we would like to do?

It's, you know, we would like to look into our processes, and we would like to understand what opportunities are in our processes now for digitization and maybe also for automation at the end of the day. It's called the Envision Program, and what we do is, so we take now a process or a certain step in the process. And we take a look into the process, how it works. Is everything the way it should be?

And then we try to look at it from the question, is there anything we can digitize in? There still not many work, but maybe also paper-driven activities, all of that kind. And if we see that opportunity, then we think about okay, what can we do. And workflow automation is a great example of data integration, various



systems providing information. And into a single dashboard for our lowercase or monitors, and then to automate what's there?

And it sounded like a simple process at the beginning. But I can tell you, the more we look into this, the more we understand the complexity of it. And it's not that easy, and it's also another big investment. But we think it's worth doing it because what we can do is not only simplify the way we do things, but we can also increase the acceptance from our own users to use some of our tools.

Because what we did in the past, very often, I have to admit, was, we looked at an application of systems from the pure functionality side. And then cost, yes, but when it came to the usability, that was always like a third priority. And we would like to flip this also, now taking that opportunity and say okay, how can we improve the usability, the user experience for our own users here in this process.

Tom: Which is great when it comes down to adoption, right? I think we've all seen plenty of examples where new technology, which had a great set of features and functions, was introduced. But just didn't actually change the process or didn't create the value that came along with the investment that went into. So I think having that perspective on usability experience, and even just reflecting on who are the individuals who will interact with this is really important. Have you seen there a perspective that digital equal's technology? Or is there a broader definition when you think about digital transformation that it's more than just technology?

Guido: In my view, digital is only 20% technology. And this is not from me, I have just read this the other day somewhere. First of all, digital is changing the look or the view on the problem we have and then trying to find the right solution for it. Which has to do with cultural changes, which has to do with mindset changes.

And at the end of the day, yes, there might also be a technology solution. But very often, people confuse it like digital is an I.T project, and this is absolutely not my opinion. I believe that we talk about business projects, and in that business project, there's one part one element, which is an I.T solution.

Tom: Which I think is important, because I think the other part that we see is just talent,

right? At the end of the day, being able to have the right talent, to change with the process. to be able to actually get the benefit from those new technologies is often overlooked by organizations. And there seems to be an emerging perspective, and I like that percent, right? At the end of the day that, it's 20% technology, but there's a lot of other things you have to consider.

And back to your point around usability, and the experience, and frankly just having the talent that can actually utilize it the way that's intended. And be willing and able to change the process along with it, which is also important.

So what's on the horizon then? As you think about new technologies, the business challenges associated with clinical development, what do you see in the sort of near to mid-term future here for clinical?

Guido: Well, I mentioned already that we are working on a digital roadmap for R&D. And what we did is, so we did like a short term view, and then we created a mid-term view, which is pretty much a time frame now between 2021 and 2025. Trying to understand what would be areas where we can focus on, where we should invest in. And we came up what we call with a few ambitions. What I mean with the ambitions is you have to have like these big ideas, big goals in front of you, and then you can work towards it. If you don't have them, then you just improve step by step. You make these steady but slow steps forward. But if you really have like a big question in front of you, then you probably change the way you look at it.

And we just spoke about the talents; I mean, if it would be just us running that business for such a long time, you most likely would come up with similar ideas over the next years how to improve it slightly. But what we also see is that other generations come into the organization, they come to the company. And they bring in different perspectives on how things can be done. And a very good example we just discussed yesterday, is just look at the way how we communicate where email is still the primary tool. But then, look at someone who's coming from university, email is probably the tool they would like to use least for communication.

So they have... Facebook is now outdated... but the Instagram and Yammer and what's out there. And this is just a different way, and we also



have to be open, that's also part of the cultural change. We have to be open to adapt to some of these ideas these young generations bring in. I think this is where we can get a benefit from.

Tom: And are you beginning to see it just as a pivot in the workforce? Where you have more column A, digital natives that are resident in the organization, and just bringing different perspectives ideas and helping to move the thinking along?

Guido: What I see is that you have your workforce already. And you train your workforce to do things in a certain way, and that's why you can't blame them. So they are used to do things in a certain way. But at some point, you also believe that this is the best and the only way. You can basically drive your organization, and there is a risk inherited in this. If you stick to that basically concept, then you won't change much. And what we see now is with coming with these digital natives, coming into the organization. And they question a lot of things you actually never thought about it again because, for you, it was clear, it has to go in a certain way. But they come and say, "Hey, I don't understand it. Can you explain?" Then all of a sudden you realize well, yes, he's actually right. Let's think about it, and we can change things.

So from that perspective, I believe it is really a necessary step for each organization to bring in new ideas. It doesn't have to be a digital native, to be honest. Sometimes, it just has to be somebody who was not working in this area already for five or ten years.

But of course, yes, digital natives, they are used to do certain things in a certain way, which is certainly not the way how we do things. And the combination of the two emerges of these two. I think that's a great opportunity.

Tom: Yes, absolutely. And I do think, also we're seeing a little bit of a change in our industry where you're seeing executives from other industries joining life sciences companies, where you haven't typically seen that it's been a very tight-knit industry. But I think I've seen several examples of companies looking to retail or looking to high-tech or other places, to say what can we learn from those industries?

Because perhaps those industries are further along, they've been through some of the challenges that we're trying to go through, albeit a different set of products. But they've just got a

different experience that that we can learn from. Have you seen any of that happening or any perspectives on that?

Guido: Yes. This is actually something which is close to my heart, to be honest, just to learn how other companies run their business. Sometimes it's just interesting, but sometimes you also see solutions in other areas we say well, we could also apply this, the way they do it. We can also apply this to our own processes, and it would be different. And it fits to what I just said earlier. So if you don't reach out, then you don't understand what you could change. And we had a few sessions with companies, which are not even Pharma companies, where we just said okay, can we have a chat? And can you show me how you do it? And maybe I can learn from you, and at the same time, we also offer this to other companies.

Very often, these contacts generate from conferences where you have people from different industries. And then you say, "Hey, can we have a chat?" And we just over the past few weeks, I would say we had probably two or three of these calls. With industries which are not Pharma at all.

Tom: Which is great. I mean, there's definitely a convergence that is happening. And again, to your point, there's got to be a willingness to look beyond the proverbial four walls of our industry. To say, what else is out there? And as you also mentioned, I think it's bidirectional. I think there's other industries who are looking at our industry, high-risk capital intensive, long development cycles to say what is an industry like ours doing to change, right?

Or to adopt these types of technologies and just think differently about it. So we are at an interesting time in the evolution, I would say, of the adoption of digital and this transformation that is underway. There are certainly industries to take a look at that are ahead of us, and those that are behind us. But ultimately, I think it is a fascinating time. From your perspective, when do you consider the transformation, or this digital transformation complete?

Guido: I don't think it will be ever complete. I think this is a journey; this is not a start and end. We introduced the term digital at some point, and everybody thinks this is now the digital world. But I don't think it would ever end, even though we don't use the term digital anymore.



Maybe in four or five years, and then, we will still do the same. We will look outside of our own organization, we will look at the problems we have, and we will try to find the best solutions. And very often, or maybe more often in the future than it is already today. We will then take a technology solution to help us to make it better.

Tom: Yes, I guess it's a fair way to look at it. I guess as I look at this, there's a perspective that when we talking about it because it's just embedded in what we do, then we know that the change has really happened. And I think we've seen that certainly in other industries, and other types of change that companies have gone through.

So I'm going to bring it to a close here. It has been a pleasure talking with you today; I appreciate the perspectives that you shared. And as you said, the journey that you're on. The end of the day, this starts with a plan. It starts with a perspective that I'm trying to enable a business change or address a business challenge, and then there's lots of different choices to make along the way. And I appreciate the perspectives that you added, and it's been a great talk with you today. So thanks again for joining.

Guido: Yes, you're very welcome. My pleasure.  
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