Digital: The New Connector in Life Sciences

High performance. Delivered.
The new digital world offers a stunning opportunity to bring major health care stakeholders (physicians, patients, payers, governments, etc.) together to develop and deliver improved health solutions for people around the globe. Digital is not simply a new channel. It offers an entirely new way of doing business—affecting all strategic and functional areas. For life sciences companies, digital has the capacity to connect multiple disparate entities in the health care value chain—and permanently alter the landscape of health care as we know it today.
The critical role of digital in the move from products to solutions

The health industry as a whole is moving toward a bigger picture perspective—one that focuses on solutions that deliver improved patient outcomes versus individual products and therapies. Life sciences companies are no exception and will play an essential role in this transition. The high performing life sciences companies of the future will move away from a reliance on individual products as their sole source of advantage, particularly in crowded disease markets such as diabetes and cancer. The big winners will focus on what differentiates them in the marketplace and build true superiority in these carefully selected areas by delivering improved health solutions and outcomes.

This fundamental shift from products to solutions means that life sciences companies will increasingly need to rely on, and partner with, a variety of other players in the health care ecosystem.

What will link the players together? How will doctors, pharmaceutical companies, medical technology companies, patients, governments, payers and providers come together to share and analyze data and information? The answer is simple: digitally.

For the first time ever, health care companies have an opportunity to leverage increasing interactions and information to understand what delivers the best health care solution—from both a cost and patient outcome standpoint. Digital connections, via the Web, mobile, social media, etc., offer the lowest cost-to-serve, broadest reach and most seamless access to customers, partners and suppliers. And they enable companies to create a more intimate, personalized customer experience. Far from just another channel, digital, along with analytics, will become the backbone for how high performers in life sciences will do business in the future. Accenture’s in-depth qualitative and quantitative research into what drives high performance in the biopharmaceutical industry revealed that developing a revolutionary new customer experience through the use of digital and multichannel interfaces will increasingly become a distinctive capability necessary to outperform the competition.1

But how will it come to fruition? While most life sciences companies already have established websites and other channels for communication, they lack an integrated, consistent digital strategy that delivers a seamless customer experience across all interaction points. Harnessing the full potential of digital first requires a new organizational mindset that views digital as a cross-disciplinary, cross-functional and cross-organizational strategy. Second, it requires adjusting a company’s internal business models to take full advantage of digital’s ability to unite the health care value chain and help deliver improved health solutions and outcomes. This paper offers five key steps to make the transition from digital as a channel to digital as a strategy that delivers measurable value.

Digital has the capacity to connect multiple disparate entities in the health care value chain—and permanently alter the landscape of health care as we know it today.

A New Organization Model and Mindset: Moving from Products to Solutions

Accenture has identified an emerging business model in the pharmaceutical industry—the Integrated Therapeutics business model\textsuperscript{2}—centered on solutions that generate evidence-based health and economic outcomes. In this model, pharmaceutical companies wrap a suite of complementary offerings around their core products, such as risk-sharing pricing contracts, drug delivery devices, companion diagnostic kits or care management services to create marketplace differentiation and domination in the future.
A new organizational mindset

Digital technologies and services have changed how patients and other health care constituents conduct their daily lives. This behavioral shift requires life sciences organizations to rethink the way they do business.

Not to be underestimated, digital offers an entirely new and unique means to connect and engage key stakeholders across the health care value chain. For example, the digital world offers life sciences companies a powerful way to engage customers at the moments that they are looking for information in a medium that is most convenient for them. When any one of the key stakeholders in the health value chain come online to search for information, life sciences companies have a unique opportunity to deepen their relationship with them. Accenture calls these “moments of truth”—the point where customers have a specific need and are actively seeking information to fill that need. Digital technologies enable companies to actively connect—even emotionally connect in some cases—with customers during these moments of truth in authentic ways that understand both their professed and their hidden needs.

In the future, high performers will use digital interfaces to move to a continuous mode of relationship-building with the customer, listening to and engaging with individuals, companies, organizations and communities in a more personalized, collaborative and transparent manner. Building an emotional connection through “moments of truth” will go much farther toward owning the relationship with the customer than incremental improvements in established marketing tactics.

Then, they will follow through with appropriately targeted health solutions that deliver on these “moments of truth” and build customer trust. As different stakeholders recognize the need to deliver improved health solutions and outcomes, each will be incented to cooperate or risk irrelevance. Uniting currently disparate stakeholder digital datasets will be a powerful differentiator for those who engage.

For example, physicians will be able to use expanded datasets to practice more effective evidence-based medicine. Insurance companies will be able to apply data for richer comparative effectiveness research and pharmaceutical companies will be able to apply the data as input to improve their translational medicine research capabilities and create better products.

Five areas of focus to build a global digital strategy

As mindsets shift, so too must internal business models. Accenture has identified five focus areas for life sciences companies to build a global digital strategy for the future. With this core framework in place, companies can then tailor their digital tactics, such as eSampling, video detailing and social media, to specific markets based on their digital sophistication.

1. Create the right digital operating model
2. Seamlessly integrate all channels
3. Use analytics as a differentiator
4. Embrace new approaches for developing content
5. Use a flexible and responsive technology architecture

1. Create the right digital operating model

The digital world is all about speed and being relevant in real time. This means companies need to be able to adapt to rapid changes, often brought on by factors outside of their control. This requires an agile and flexible digital operating model with the global scale to drive efficiencies in cost and execution and the flexibility to customize as needed at the local level. Winning in digital requires a commitment to innovation and sustained capability evolution.

A key element of creating the right digital model is determining the balance between what makes sense to centralize versus what to keep decentralized in a digital operating model. For example, it is not uncommon to find multiple brands simultaneously building the same or similar digital capabilities within a single organization. This can support the drive for innovation, but also has cost implications. It also creates the potential for inconsistent communications with the end customer—thereby minimizing the potential to build an ongoing, trust-based dialogue.

3 "Diabetes Is No Fun, but It Can Be a Game,” Arlene Weintraub, Bloomberg Businessweek, April 8, 2010.
In contrast, life sciences organizations have an under-tapped opportunity to consolidate core digital skills in centers of excellence across strategy, execution and operations. Moving towards a centralized model for select digital capabilities offers companies one of the quickest means to build digital skills, create a cohesive customer experience and realize cost and labor savings.

With the digital landscape and customer expectations changing at such a fast pace, Accenture recommends a systematic and institutionalized "venture-capital investment approach" to funding and managing innovation. Providing access to resources through a central organization that leverages the latest digital innovations and evaluates business cases and proposed return on investment, and measures results will add a much-needed overlay of control that improves quality, lowers costs and improves the customer experience.

On the other hand, some responsibilities, particularly with regard to how centrally developed digital material gets applied on a case-by-case basis, must remain at the regional or even local level. For example, life sciences organizations have the opportunity to centralize creation of digital media—such as website development, mobile applications and digital asset management—but should keep a decentralized model for approvals, prioritization for implementation, etc., based on cultural and legal considerations. Figure 1 above provides a snapshot of different ways life sciences companies are setting up their digital operating models to scale their digital capabilities globally.

Creating the right digital operating model also involves getting the right people on board and ensuring their skills and capabilities advance with the marketplace. Most life sciences companies have a shortage of the talent needed to meet the opportunities in the digital space. And those that do are often challenged to continually evolve those skills and stay on the cutting edge of this fast-moving environment. To meet this challenge, many life sciences companies are considering outsourcing select components of their digital model to third-party providers who have pools of skilled digital resources and access to best practices to enable high-quality, quick and efficient execution at a reduced cost.

### 2. Seamlessly integrate all channels

Too often, companies tend to focus on channels separately—in particular, the digital customer experience. However, digital channels are just one of several marketing channels, and a narrow focus on optimizing the digital customer experience risks losing sight of the bigger goal of optimizing the overall customer experience across all digital channels as well as traditional (e.g., field force or contact centers).

Instead, organizations need to focus on seamless integration across all channels as what will drive meaningful customer interactions—and multiply how much value an organization realizes from individual campaigns. For example, a recent Accenture survey found that only 11 percent of survey respondents said they most often use a pharmaceutical company’s website to seek information about an illness or condition—even though 69 percent of those surveyed expect pharmaceutical companies to provide information about the medical condition or illness for which they are taking drugs.

---

**Figure 1. Digital operating models in life sciences**

<table>
<thead>
<tr>
<th>Digital Strategy</th>
<th>Digital Projects</th>
<th>Digital Technology and Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>BU BU BU BU BU BU BU BU BU BU BU BU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BU BU BU BU BU BU BU BU BU BU BU BU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BU BU BU BU BU BU BU BU BU BU BU BU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BU BU BU BU BU BU BU BU BU BU BU BU</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Pros

- Full control by BU
- BU, brand and regional relevance
- BU drives customer centricity
- Absolute focus on digital

### Cons

- Fragmented accountability for delivery
- Requires a change of mindset and in ways of working
- May be difficult to localize

---

**Pros**

- Works where digital has little impact on business success and is only a small part of the marketing mix
- Agility and scalability of infrastructure
- Central service accountable for delivery
- Flexibility for growth and innovation

**Cons**

- Relies on effective collaboration between business and IT
- Cost efficiencies from shared services
- Fragmented accountability for delivery
- Requires a change of mindset and in ways of working
Client Example

A major global life sciences company builds a global digital operating model featuring centralized digital services

Intent on growing its business, this global life sciences company wanted to move from a local, siloed approach to a more efficient, global digital operating model to support the digital strategies of all its markets and business units.

Working with Accenture, this company designed a new global digital shared service to provide core digital capabilities and services, including Web development, content services, analytics services as well as support and maintenance. Supported by a common technology platform, this global digital service is expected to drive quality and speed in execution of digital campaigns by driving standardization around core digital offerings and asset/content reuse across markets and brands.

The model centralizes select disparate or overlapping functions from local client business units, third-party agencies and technology companies, providing increased scale, agility, speed and state-of-the-art digital and analytical services. The new model will help the company deliver its digital projects faster, execute them more consistently across the organization and quickly leverage digital innovations as they become available. It also will provide local support and customization through geographic hubs. The client expects to achieve more than a 150 percent rate of return over a three-year period, grow its sales and deliver more medicines to patients faster.

This finding suggests a tremendous opportunity for life sciences companies to better connect with consumers by interacting with them through multiple digital venues in addition to their own websites. And they need to combine and analyze the information they gather through their digital interactions with the information they gather through traditional channels to create a holistic and realistic picture of their customer(s). Independent snapshots only give a slice of the picture and can too easily lead companies in the wrong direction.

Digital's meteoric rise as the go-to place for health information

Digital media is fast becoming the preferred means of gathering health care information. Consider the following statistics:

- 86 percent of physicians in the United States\(^5\) and 82 percent of physicians in Europe\(^6\) use the Web daily to gather health, medical or prescription drug information.
- 50 percent of health care providers in Europe report that information found on the Web impacts their prescriptions.\(^2\)
- 53 percent of consumers polled say information found online led them to ask a doctor new questions.\(^7\)
- 98 percent of physicians agree or strongly agree that their use of the Internet for medicine and practice will increase over the next three years.\(^8\)
- More than 50 percent of European general practitioners and specialists are willing to replace more than half of their regular sales calls with remote interactions.\(^9\)

With the increasing integration of the data from the digital channels with other data, the opportunity grows to generate new insights. Advanced marketing analytics comprises sophisticated quantitative and statistical analysis and predictive modeling, supported by powerful information technology and knowledgeable specialists. More than just data gathering, advanced marketing analytics enables competitive differentiation with fact-based decision-making. Using analytics allows organizations to drive increased customer insights by spotting trends faster and making real-time adjustments to sales and marketing campaigns and channels based on what the analytics shows to be most effective.

Whether developed in-house or acquired externally, a robust, integrated analytics capability will be instrumental in harnessing the information that comes in through digital media initiatives.

3. Use analytics as a differentiator

The digital medium ensures that data are available for analysis in real time and with increasingly more context. The unique datasets collected through digital interactions have broad organizational implications. First, they allow an organization to assess more rigorously the impact of digital campaigns and make real-time adjustments based on customer engagement, market events and overall campaign performance. Second, they allow an organization to optimize the customer experience by personalizing content in real time and enabling other channels to “act” on that real-time information.

This finding suggests a tremendous opportunity for life sciences companies to better connect with consumers by interacting with them through multiple digital venues in addition to their own websites. And they need to combine and analyze the information they gather through their digital interactions with the information they gather through traditional channels to create a holistic and realistic picture of their customer(s). Independent snapshots only give a slice of the picture and can too easily lead companies in the wrong direction.

Digital media is fast becoming the preferred means of gathering health care information. Consider the following statistics:

- 86 percent of physicians in the United States\(^5\) and 82 percent of physicians in Europe\(^6\) use the Web daily to gather health, medical or prescription drug information.
- 50 percent of health care providers in Europe report that information found on the Web impacts their prescriptions.\(^2\)
- 53 percent of consumers polled say information found online led them to ask a doctor new questions.\(^7\)
- 98 percent of physicians agree or strongly agree that their use of the Internet for medicine and practice will increase over the next three years.\(^8\)
- More than 50 percent of European general practitioners and specialists are willing to replace more than half of their regular sales calls with remote interactions.\(^9\)

With the increasing integration of the data from the digital channels with other data, the opportunity grows to generate new insights. Advanced marketing analytics comprises sophisticated quantitative and statistical analysis and predictive modeling, supported by powerful information technology and knowledgeable specialists. More than just data gathering, advanced marketing analytics enables competitive differentiation with fact-based decision-making. Using analytics allows organizations to drive increased customer insights by spotting trends faster and making real-time adjustments to sales and marketing campaigns and channels based on what the analytics shows to be most effective.

Whether developed in-house or acquired externally, a robust, integrated analytics capability will be instrumental in harnessing the information that comes in through digital media initiatives.

4 Accenture Online U.S. Consumer Survey (November 2010)
5 Hall & Partners and Google Custom HCP Study, August 2009
6 “Taking the Pulse\(^\text{E}\) Europe,” manhattanRESEARCH Report
8 Accenture M3 Survey (2010)
9 Market Research, Accenture Alliance Partner (2010)
One major pharmaceutical company wanted to migrate from a product-centric sales and marketing strategy focused on its brands to an insight-driven customer-centric strategy that focuses on the needs of its customers. Working with Accenture, the company embarked on an ambitious program to change its business processes, capabilities and overall operating model to compete more effectively.

The program had two key objectives:

1. Expand the client’s current marketing, sales and service capabilities into an integrated Multichannel Management program
2. Develop and Implement a Closed Loop Marketing (CLM) program for its brands and launch a CLM capability to its sales force

Leveraging analytics across the customer’s multichannel experience, the client’s sales and marketing teams have gained the ability to plan for and deliver a tailored customer experience by collecting feedback and extracting and applying insights to improve future customer interactions. Armed and trained with new tablet computers, more than 6,500 sales representatives have spearheaded a 20 percent increase in sales effectiveness using customer-centric segmented content. The client has successfully made the transformation to a data-driven, decision-making culture with more real-time, insightful customer data to inform each and every interaction.
Social Media: Pick a strategy, before it picks you

Social media is a completion of the seismic "shift of power" toward customers and consumers. It allows organizations to experience firsthand the hard-to-see sentiments that drive customers toward or away from them. It provides companies a torrent of largely free and extremely valuable customer feedback on the organization, its brand and its offers. The key factor is determining how to gather, organize and mine this feedback and integrate it with traditional customer data. Doing so can enable a company to drive more tailored marketing and sales initiatives as well as develop new products and services that more closely meet customers’ unmet needs.

Social media’s power lies in its ability to not simply market and sell to customers and prospects, but rather to start conversations with those individuals and communities—and increase the richness and depth of those conversations over time. To do so, social media must be woven into a company’s overall customer and digital strategy.

To date, however, most pharmaceutical and medical technology companies have approached social media as an “experiment,” focused primarily on the tools. But the industry is moving past the experimental stage and into the business transformation phase. This stage requires a strategy that ensures that every touch point with the customer feels connected, seamless and valued.

It also requires a new metric to measure social media’s ROI. Accenture calls this new metric “customer health.” Customer health is the holistic understanding of a customer’s real and future value to an organization, and it heavily leverages analytics. There are four key predictors of customer health: what customers show you, tell you, share with others in their behaviors, and tell others through social media.

The first step is to gather data effectively. A company need not gather all the data available, but certainly the relevant data. What customers tell a company is the most easily obtained data. What customers tell others has been directly enabled or even created by the advent of social media—what customers are saying about the company’s brand, products and services. It includes comments made on social media sites, blogs and customer advocacy forums.

Both descriptive and predictive analysis will be required to generate insights from the data. Descriptive analysis is required to explore the data and search for value pools of untapped opportunity. Predictive analysis is required to cluster customers into behavioral segments and determine the likelihood to buy or switch providers.


Social Media Snapshot

GlaxoSmithKline, Lilly and Pfizer are just some of the companies using social networks to “crowd-source” expertise on specialty areas within and outside their global organizations. The companies’ approaches differ, but the central goal—to jump-start intellectual capital development efforts by posting queries on social networks and then mining responses for insight—is the same. As this experimental stage moves to a business transformation stage, we will see a proliferation of this type of activity integrated as a key part of an overall customer strategy.
This requires a unified data backbone to allow the delivery of highly relevant data for deep customer insight and, ultimately, individually tailored content. Yet most companies still operate multiple “best of breed” systems in a siloed manner, lacking the robust integration necessary to derive the ultimate value from their digital solutions.

Consider an application that enables search functions, for example. As data comes in from multiple digital sources, the architecture underneath needs the flexibility to allow searches across different digital asset libraries. Similarly, as more digital technologies become ubiquitous, multichannel tools need to be able to accept inputs from channels beyond mail, e-mail and the Web, including mobile and social media. Analytic tools need to be able to deal with new media when measuring the effectiveness of a campaign. And workflow tools need to be able to automate processes for content creation, regardless of its intended use.

Integrating new channels allows for sharing customer information across the channels and leads to a more cohesive customer experience. It also provides a flexible foundation for continued improvements and innovations, such as expansion of campaigns into global markets, while also allowing various third-party channel partners to quickly and easily plug and play with the company.

Finally, an integrated platform enables seamless outsourcing. It provides more consistency across various customer touch points and offers the flexibility to change outsourcing vendors as needed, or allows an organization to bring outsourced activities back in-house if necessary.

As companies consider these steps, it is important to recognize the maturity of the market and align digital tactics with the specific audience and customer needs. Some markets will benefit from a light touch whereas other markets—with more internet savvy digital audiences—will require a heavier digital presence and level of interaction. The digital space is constantly evolving and so must life science companies’ digital models—making it all the more important to take a cross-enterprise approach that can quickly and easily flex with changing market conditions.

### Mobility: A revolution, not an evolution

Mobility is fast becoming a game-changer for life sciences companies. Sales forces are replacing PCs with tablets, and consumers are using remote health care monitoring systems and posting health status on sites like Patientslikeme.com and real time via mobile devices. With aging populations, shortages of health care professionals, rising costs and increasing need for health care services, mobility-enabled services are uniquely suited to solve these productivity issues and address the personal nature of an individual’s health care.

#### A slow beginning, but a fast second act

This is just the beginning of the revolution. Recent Accenture analysis of seven large global pharmaceutical companies found that most are not currently capitalizing on the mobile channel. Most activities to date have focused on pilots with new devices, such as iPads.

However, Accenture’s research indicates that many of the top players will enter a second stage of maturity over the next 18 months with a focus on a more comprehensive approach to mobility designed within the framework of an overall customer and digital strategy.

### The increasing value of digital in emerging markets

Perhaps one of the greatest values digital presents is in select emerging markets where there are no standards or expectations for interactions. Accenture recently conducted in-depth interviews with 60 doctors in various rural cities (less than 500,000 people) in China.

Unlike hospitals and centers in larger cities, rural practitioners have little direct interaction with sales reps. For the most part, rural doctors don’t believe face-to-face communications are essential and prefer to meet with sales reps only when they are medically trained and capable of providing new insights about treatment options. Because they have never been courted by reps like some institutions and practitioners in large cities, rural doctors are not as conditioned to depending upon or expecting in-person visits.

Consequently, rural practitioners value and prefer companies use digital communication channels such as websites and e-mail where they can address information provided through these channels faster, more effectively and at their own convenience.

For example, we expect to see:

- **Pervasive use of mobile technology in the “Business to Employee” areas such as sales enablement, training and administrative functions**
- **Proliferation of “Business to Consumer” capabilities with significant opportunity in the area of chronic diseases (patient education, compliance/monitoring, etc.)**
- **Automation of information gathering and sharing across mobile devices and reporting for remote patient monitoring in the area of “Machine to Machine”**
- **Greater engagement and brand building with HCP, medical personnel and payers in the “Business to Business” area**

There is a significant opportunity for companies to take an enterprise, long-term view toward fostering the innovation in this channel while developing the global operating model, standards, processes and platforms necessary to manage the complexity that is taking shape in this fast-moving space.
Conclusion

In a health care future focused on integrated, holistic therapies rather than individual products, digital technologies will take center stage. Digital technologies will be the glue that connects health care stakeholders, allowing them to both promote and deliver (through the lowest cost-to-serve and broadest-reach channels) the holistic solutions to disease states that consumers seek.

However, to take advantage of the potential of digital technologies—as a cost-effective, far-reaching platform for specifically targeted groups of customers—most life sciences companies have significant upfront work to do. They must alter their approach to digital technologies—moving from an emphasis on pushing information using flashy technological trends to attempting to develop meaningful and engaging interactions that engage external partnerships in previously unimagined ways. They also must make significant adjustments to their internal operating models and develop new capabilities to identify and take advantage of appropriate digital innovations.

This bigger-picture approach will be the path to future high performance in the life sciences industry. Those that recognize the fundamental shift away from promoting products in isolation toward integrated therapeutics have already taken the first step. Now, they must make the necessary adjustments, internally and externally, that will revolutionize the ways they attract and engage with customers to create lasting and profitable relationships.
About the Authors

Shawn Roman
Shawn Roman is a senior executive in Accenture's Life Sciences practice. He has spent 18 years consulting for growing biotech, small/mid-size and large global pharmaceutical companies, specializing in defining and creating capabilities to support the sales, marketing, customer service and supply chain operations of his clients. He is also the lead for Accenture's Life Sciences Marketing & Digital offering.

Donna Tuths
Donna Tuths is a senior executive in Accenture's Life Sciences practice. She has more than 20 years experience working with clients on transformational marketing initiatives focused on data-driven, multichannel marketing capabilities. She is a former digital agency CEO with deep expertise in leveraging Web, mobile, social media and emerging technology in integrated health care communications programs.

Jason Wolenik
Jason Wolenik is a manager with Accenture Strategy where he develops innovative go-to-market strategies for clients in the Life Sciences industry. Jason has more than nine years of management consulting experience and has helped many of the largest life sciences companies in the world address and resolve commercial challenges.

Contact Us
To find out more about how to leverage Digital to achieve high performance in the Life Sciences industry, please contact:

North America
Shawn Roman
Senior Executive
shawn.d.roman@accenture.com

Europe
David Logue
Senior Manager
david.p.logue@accenture.com

Asia
Anne O'Riordan
Senior Executive
anne.oriordan@accenture.com

About Accenture
Accenture is a global management consulting, technology services and outsourcing company, with more than 215,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$21.6 billion for the fiscal year ended Aug. 31, 2010. Its home page is www.accenture.com.