

Patients don't want drugs - they want better health outcomes

What does pharma need to do to ensure that it doesn't wake up one day to find its customers have found new partners?

One of the critical factors of future success for pharmaceutical companies is how they view themselves. Does a pharmaceutical company see itself as being in the drug business or in the disease management business, or possibly even in the disease prevention business? These are key questions that can determine whether a pharma company will continue to be successful as the healthcare arena evolves dynamically.

As I discussed in my previous article *Pharma and the NHS – a partnership of necessity* (PME November 2012), while joint working initiatives abound in healthcare markets, many pharma companies retain cultures that are still intrinsically product-centric. This is demonstrated clearly by the fact that many pharma strategies and marketing campaigns are still predominantly focused on product features and benefits. However, this culture can prohibit a focus on expanding non-traditional partnerships.

While big pharma continues to pursue the nirvana of the blockbuster drug, such as AbbVie's Humira with wide applications, success for many companies may lie in a different direction. Instead of blockbuster drugs, the future may need to take other routes that lead to better outcomes for patients, which in turn drive significant improvements in patient value.

Big companies are usually inherently innovative. However, what they often miss through focusing on disruptive innovation is the possibility of reaching a much larger number of patients. The margins may be smaller, but the market is potentially much larger. Indeed, there can be much larger gains made from reaching huge numbers of patients through the addition of a programme that generates true patient value, despite slimmer margins.

An example of how a pharma company could transition from being product-centric to being patient-centric is Apodi's

Stroke Prevention in Atrial Fibrillation Programme. It provides an anticoagulation assessment service and access to specialist support to enable focus on an entire population of 'at risk' patients.

The programme provides the expertise to ensure patients' risks are managed effectively and can deliver true patient value through ensuring patients are educated about their health and to raise awareness of associated risks.

Pharma's partnership with Apodi on this programme provides a complete offering where a company's product may or may not play a role in treatment. While the company already benefits from strong relationships with cardiologists, traditional healthcare provides a broad spectrum of services that are geared up to handle the patient in front of them at any given time.

Unfortunately, this breadth of service may have little impact on patient value. What really matters is the ability to deliver value in each medical condition. It is through providing value solutions through programmes such as that described above which enables this to happen.

Feedback from one participating clinician illustrates the potential benefits: "It was a great experience for me. I was surprised to find the number of patients who might benefit from intervention to their AF stroke prevention management. I suspect the reason for this is that this clinic is specifically geared to look into this specific issue. As a result we pick up so many patients who might need optimisation of their AF stroke prevention management. I am confident such clinics will only improve patients' management in the best possible way."

Moving from a product-centric culture

There are many parallels with other industries that can be drawn with the situation that pharma now finds itself in.

For example, many business commentators have likened the position pharma finds itself in to that of IBM in the late 80s and early 90s. In 1993, IBM was facing extinction and haemorrhaging money. However, it demonstrated that it is possible for a large company to shift from a product-centric culture to that of a customer- and service-centred company.

The appointment of a new CEO brought with it a willingness to listen to customers and a realisation that the central issue facing customers in 1993 was integrating all the separate computing technologies that were emerging at the time. This echoes the needs of current healthcare economies whose major issue is not with products or drugs, but providing patient value through the integration of care pathways.

IBM recognised that its greatest strength was its ability to provide integrated solutions. The key to IBM's survival was the adoption of an outside-in perspective, harnessing its networks of clients and users to drive value into its offering. In this way it could help solve its clients' biggest issues and find innovative ways to delight them.

However, merely focusing on customer or patient needs in isolation is not enough. It is sadly routinely demonstrated, particularly in larger companies with hierarchical bureaucracy, compliance processes and rigid management structures, that individual initiatives are quickly undermined and ultimately do not achieve their potential to shift the company's focus to creating patient and customer value.

This is particularly true in times of crisis when traditional behaviours emerge and companies return to tried and tested sales and promotional models. It is therefore vital that in order for any pharma company to be successful, a fundamental shift in the role and behaviours of leaders and managers is required. The role of the leader is absolutely critical in driving through the changes required to address the needs of the new healthcare economy and to instil an outside-in approach.

While the development of a sound strategy is critical, it is also a relatively easy part of the process. Every pharma magazine, nearly all consultants and most competitors support the notion of moving towards a Key Account Management driven business which maximises the value of existing and future healthcare networks.

However, it is the effective execution of this transition that can be most problematic and the area that the leader should focus on. He will invariably experience challenges that will likely include internal politics, resistance to the new way of operating, lack of appropriate skills within the team and so forth. As such, a leader needs to draw on common sense business disciplines to be successful. And it is crucial that the immediate management team does the same. Therefore, before embarking on the process, it is important to make sure that the management team is both capable and ready to execute change.

As many pharma companies are implementing similar strategies it is therefore logical to assume that, everything else being equal, it is the company that has the management capabilities to execute these changes most effectively that will gain competitive advantage.

Strengths and appropriate partnerships

Pharma has a wealth of experience in providing initiatives and support to its customers and ultimately to patients. There are many examples of how pharma's longstanding relationships with healthcare providers can add value, these include:

- **Population management through better data solutions:** Helping identify 'at risk' patient groups, translating the plethora of NHS data sources such as QOF, HES and general practice data systems to improve performance, facilitating doctors to keep track of 'at risk' patient cohorts and scheduling them for appropriate services
- **Apps for adherence to prescribed medicines and treatment plans:** Improving patient outcomes and reducing medicine wastage ultimately enabling patients effectively to self-manage
- **Telehealth:** Increasingly providing the tools and services to manage conditions remotely. Demonstrating a commitment to improving patient value post script
- **Clinical trial management:** Pharma has a critical competence in managing clinical trials with many patient cohorts. These skills could, and should, be applied and scaled down to inform the delivery of patient value through the evidencing of effective treatment and care pathways.

These are just a few examples of the value delivered by pharma's partnerships with healthcare providers. The key to success is in integrating these solutions and partnering effectively to ensure adoption of an outside-in approach. This will then facilitate the delivery of complete solutions and increased patient value.

With ever increasing requirements to run healthcare more efficiently and providers swamped in a healthcare service that is fragmented and disparate, whole system solutions across care pathways are becoming increasingly necessary. Only when this approach is achieved will pharma be able to move from product-based selling to a truly outcome-based sell. Redefining and restructuring themselves in the disease management/patient value creation business will be a key challenge for pharma companies and will require the creation of constructive discomfort.

Waiting for the future to be defined by others is the worst possible option as non-traditional competitors are already taking action. If it is not mindful of these changes, pharma may wake up one day and realise the landscape has shifted and its customer groups have found new partners.



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