Digital transformation in Life Sciences

FIRST STEPS

CAPABILITY TO CHANGE

VISION & GOALS

NEED FOR CHANGE

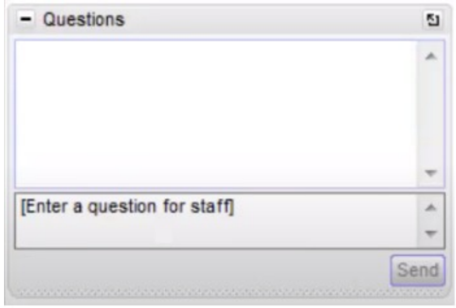
Maturometer™ 2022

Webinar

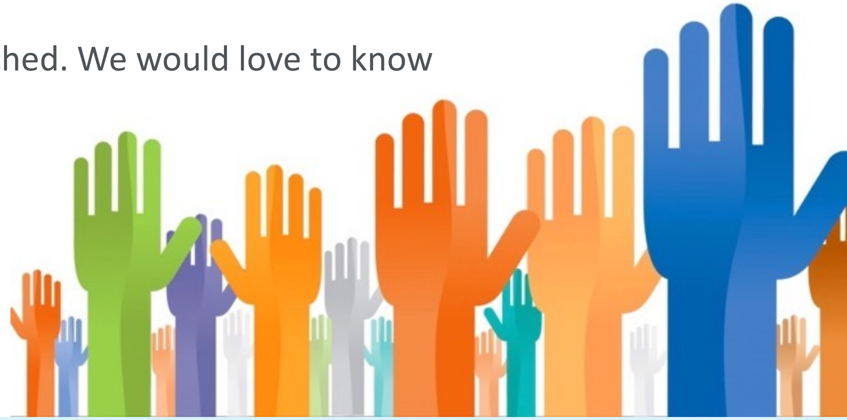
September 2022

Ground rules

- This webinar will take around 45 minutes, followed by questions
- You can submit questions at any time via the "Questions" box



- Please give us your feedback!
- Right after the webinar a short satisfaction survey will be launched. We would love to know your opinion!
- The webinar will be **recorded** and made available after the session. We will send you an email with the details



Despite C19…pharma finds transformation complex – similar to other industries

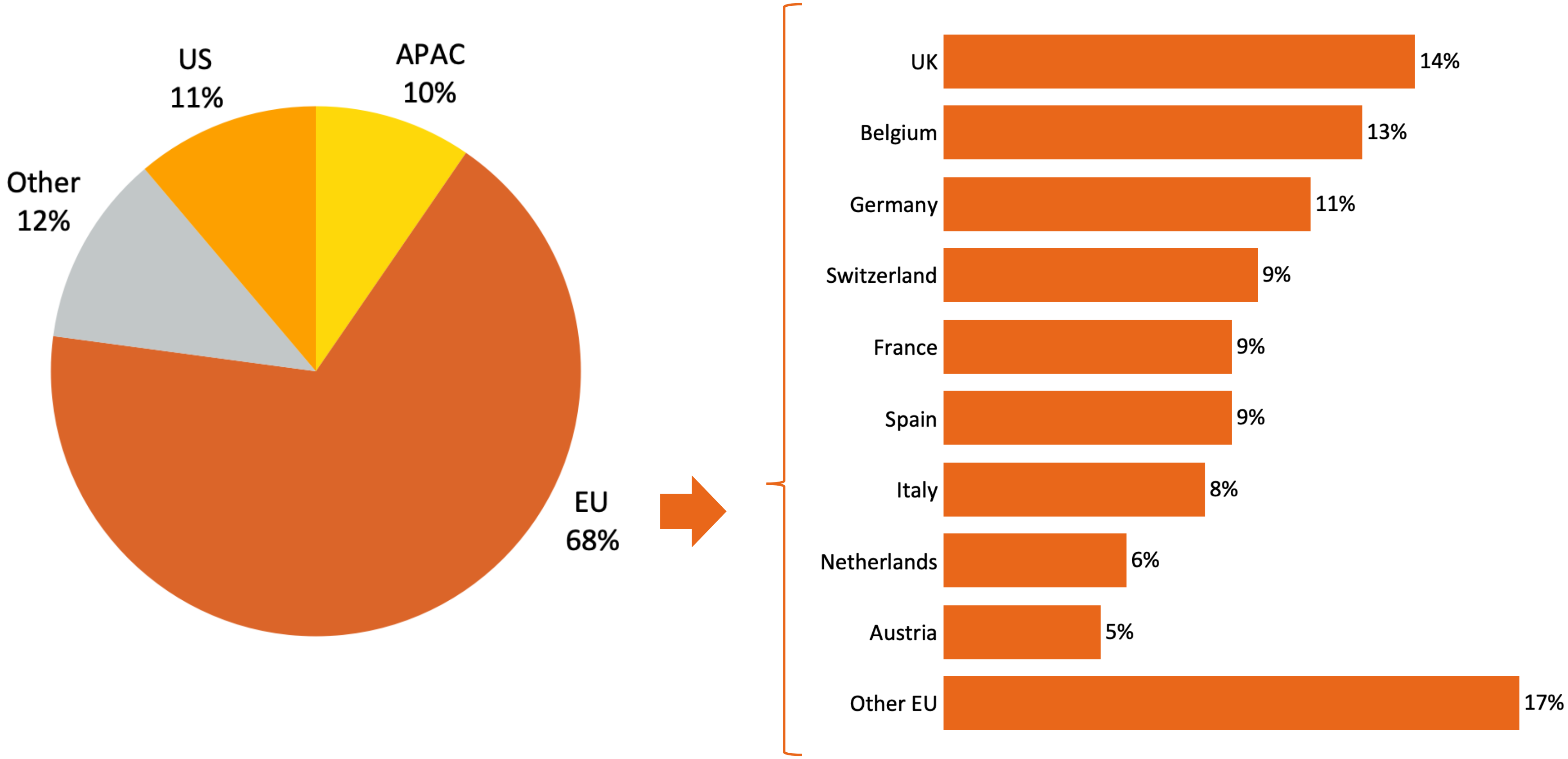
- "**90%** of biopharma sales executives believe that DIGITAL TRANSFORMATION is **critical** to their success,
- but the majority (**55%**) view their initiatives as **unsuccessful**.
- **Fewer than 10%** said they had achieved the full potential from their investments"

ZS Associates 2021

What does our 2022 Maturometer say?

INTRODUCTION
KEY SURVEY STATISTICS

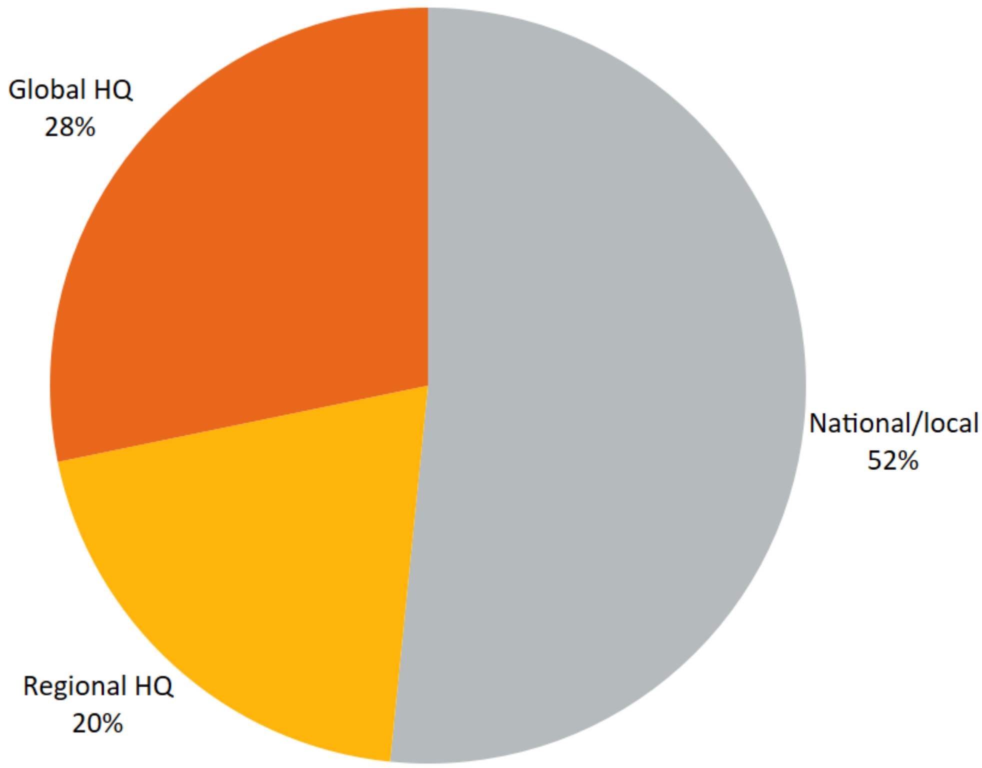

This webinar will zoom in on the European data



n=222

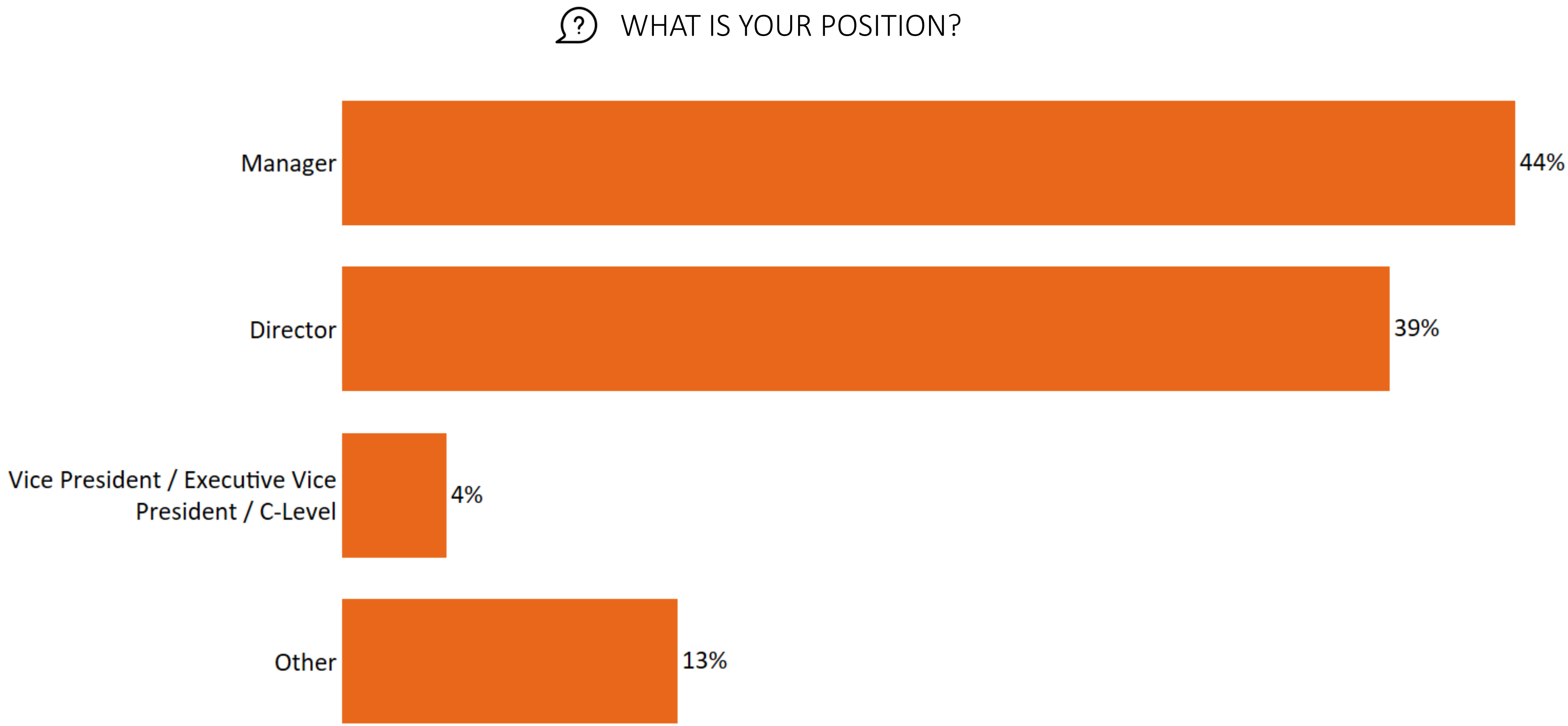
52% has a local role, the other half an international one

WHAT IS YOUR MAIN GEOGRAPHIC SCOPE?



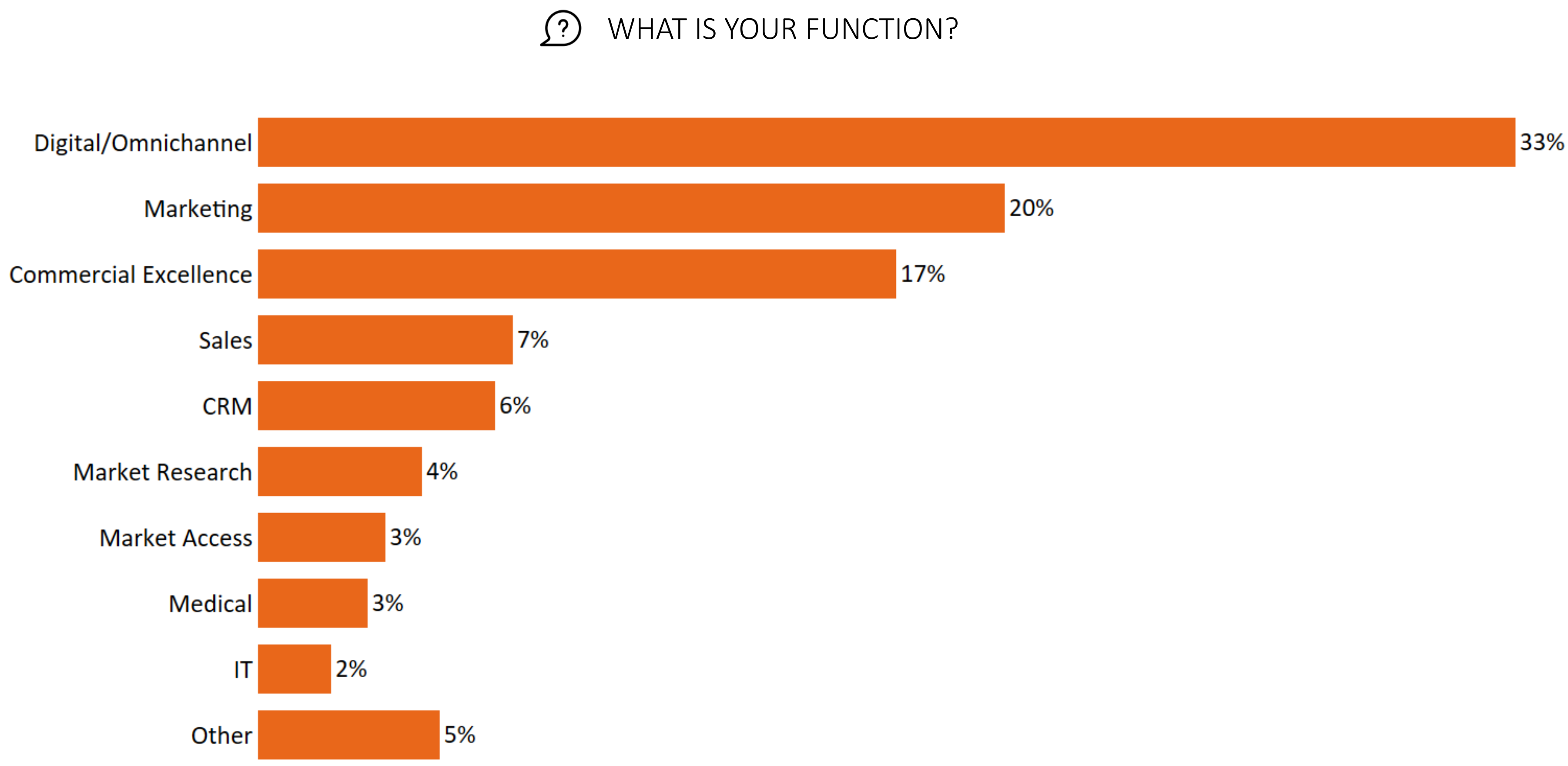
EU Biopharma n=127

Balanced spread of levels: 44% is at the Manager level, and 43% Director or higher



EU Biopharma n=127

Most respondents hail from Digital/OC (33%), Marketing (20%) and Commercial Excellence (17%)



EU Biopharma n=127

The Maturometer framework leverages the Gleicher formula for change

Gleicher states there are four key drivers for successful change, AND they <u>all</u> need to be present to ensure robust and lasting change

1		2		3		4		
Need for change	×	Clear vision & goals	×	Capability to change	×	Concrete first step	=	Successful change
	×	Clear vision & goals	×	Capability to change	×	Concrete first step	=	Slow start
Need for change	×		×	Capability to change	×	Concrete first step	=	Lack of coordination
Need for change	×	Clear vision & goals	×		×	Concrete first step	=	Frustration
Need for change	×	Clear vision & goals	×	Capability to change	×		=	Lack of action

Variation of the Gleicher's Formula, Source: Dannemiller, K. D., and Jacobs, R. W. (1992). Changing the way organizations change: A revolution of common sense. The Journal Of Applied Behavioral Science, 28(4), 480-498.

POLL QUESTION

Which of the **4 Gleicher** elements is considered the most important one by EU biopharma?

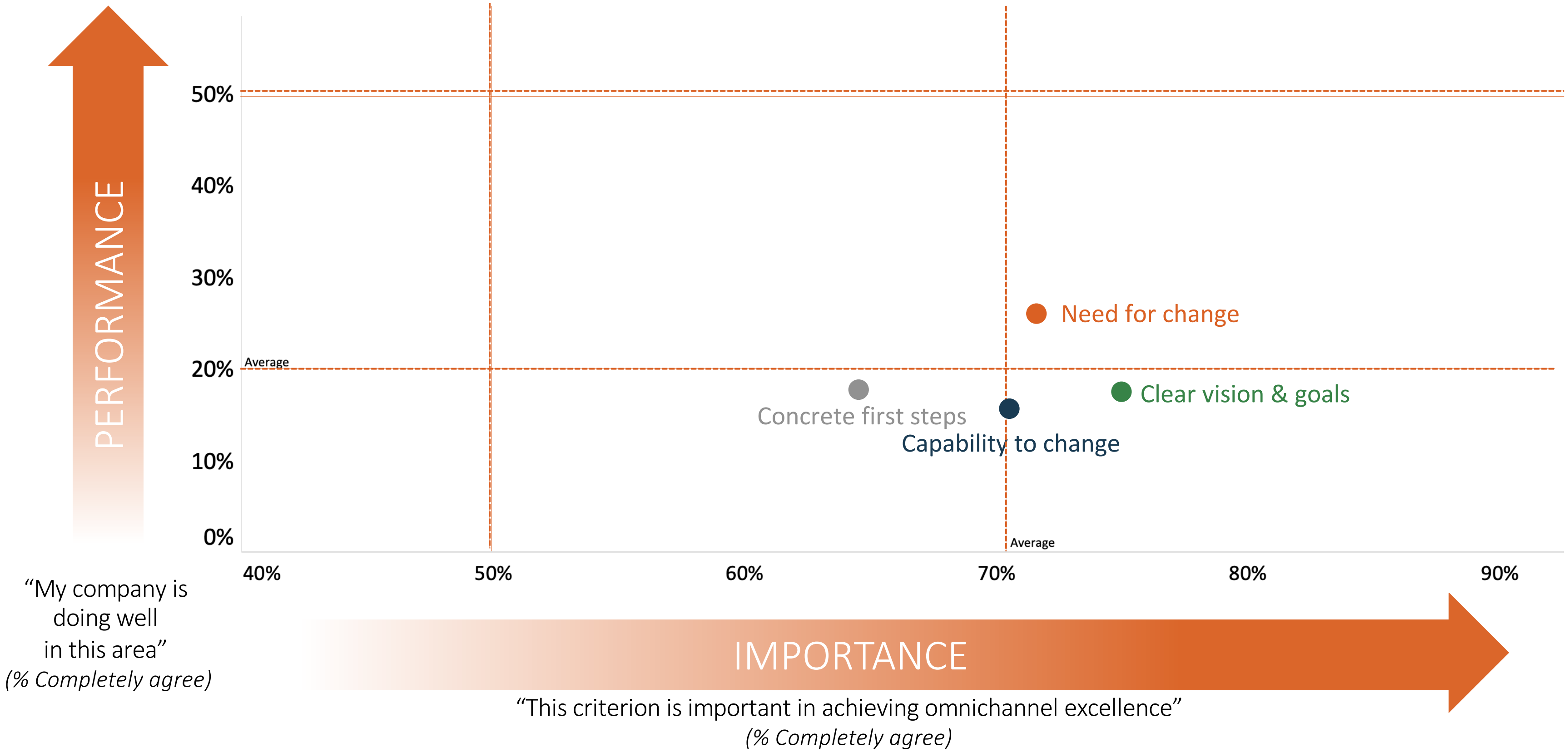
1. Need for change
2. Clear vision & goals
3. Capability to change
4. Concrete first step

The industry recognizes the importance of the key dimensions for change, but tends to score its level of attainment low – particularly for execution

THE GLEICHER MATRIX

1 Need for change × 2 Clear vision & goals × 3 Capability to change × 4 Concrete first step

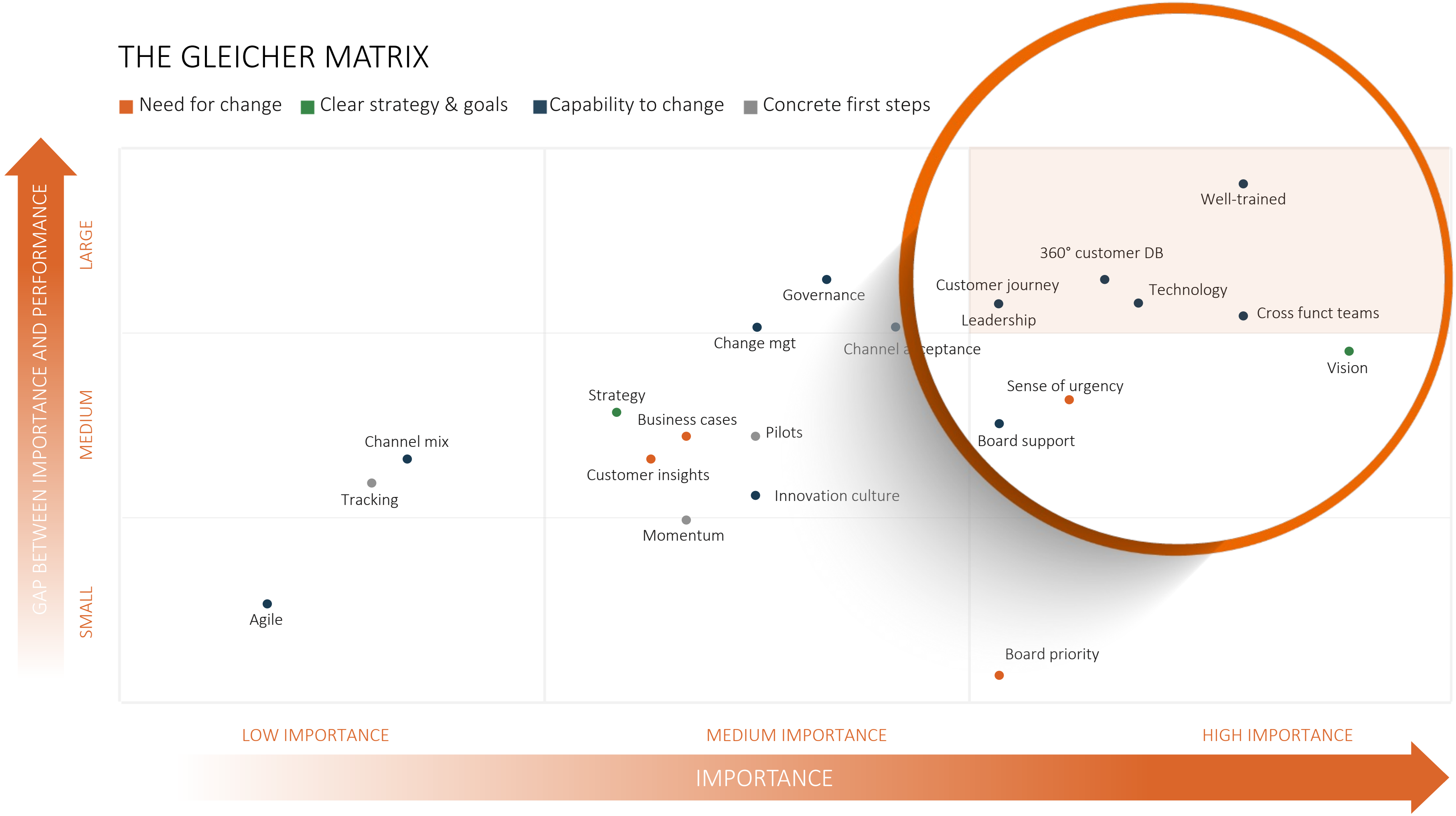
For the definition of key terms see appendix



EU Biopharma n=127

What respondents finds important is in most cases not what they feel they are performing well on…this is particularly the case for key enablers

THE GLEICHER MATRIX



EU Biopharma n=127

The change vision scores relatively well overall…
but without a clear multi-year strategy, vision remains what it is: words

THE GLEICHER MATRIX

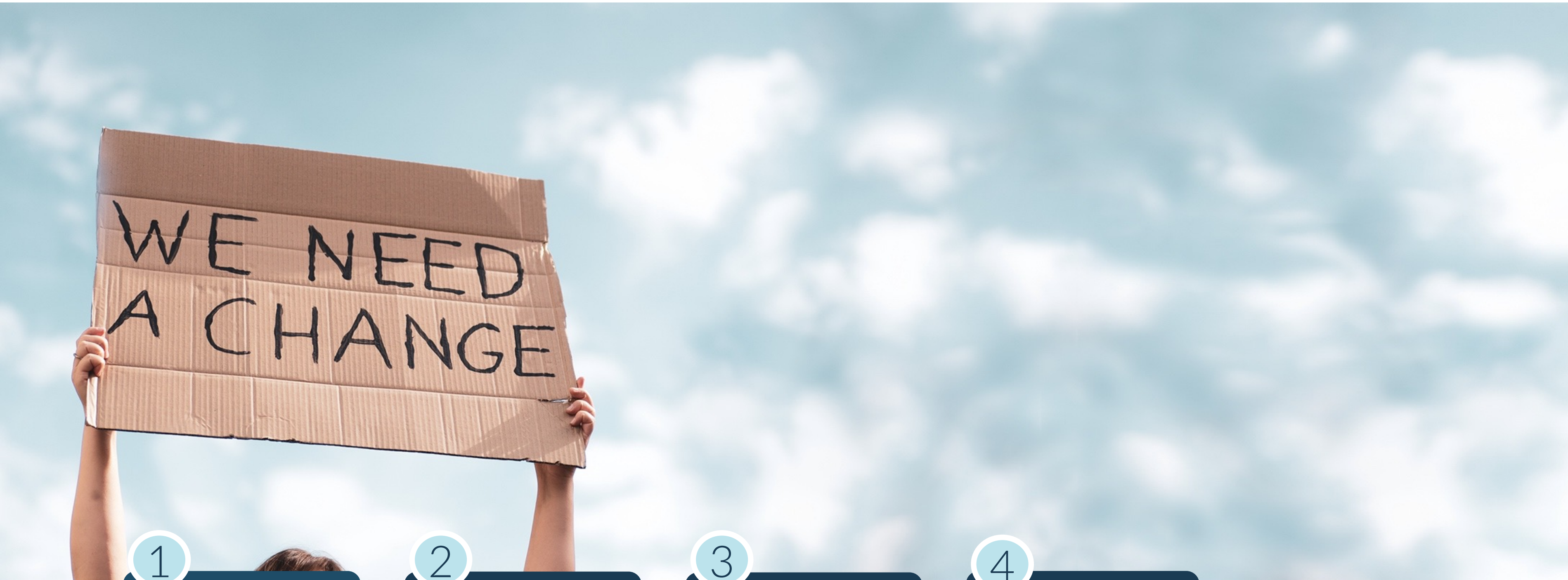
For the definition of key terms see appendix

■ Need for change ■ Clear strategy & goals ■ Capability to change ■ Concrete first steps

EU Biopharma n=127

01

THE NEED FOR CHANGE

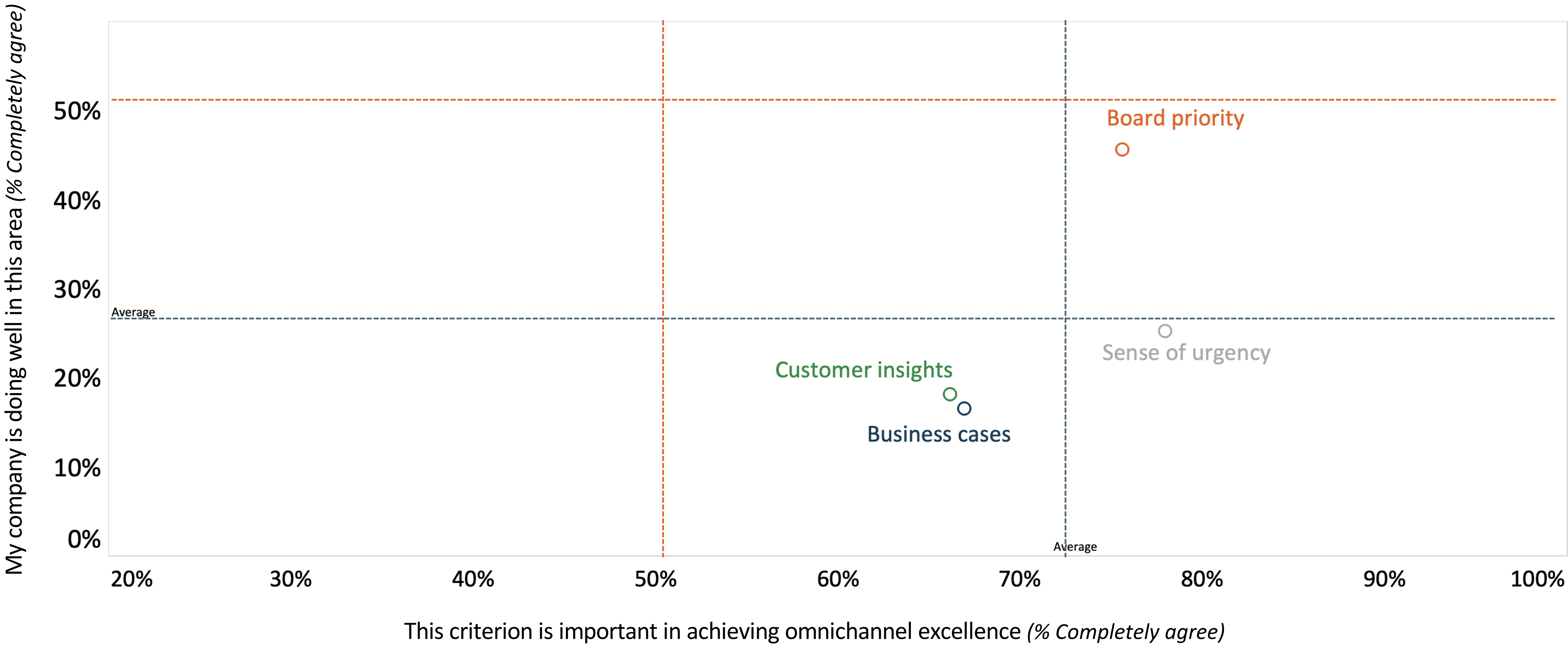


1 Need for change × 2 Clear vision & goals × 3 Capability to change × 4 Concrete first step

~~Need for change~~ × Clear vision & goals × Capability to change × Concrete first step = **Slow start**

Despite the strong Board priority, the three other dimensions have a relatively low performance score

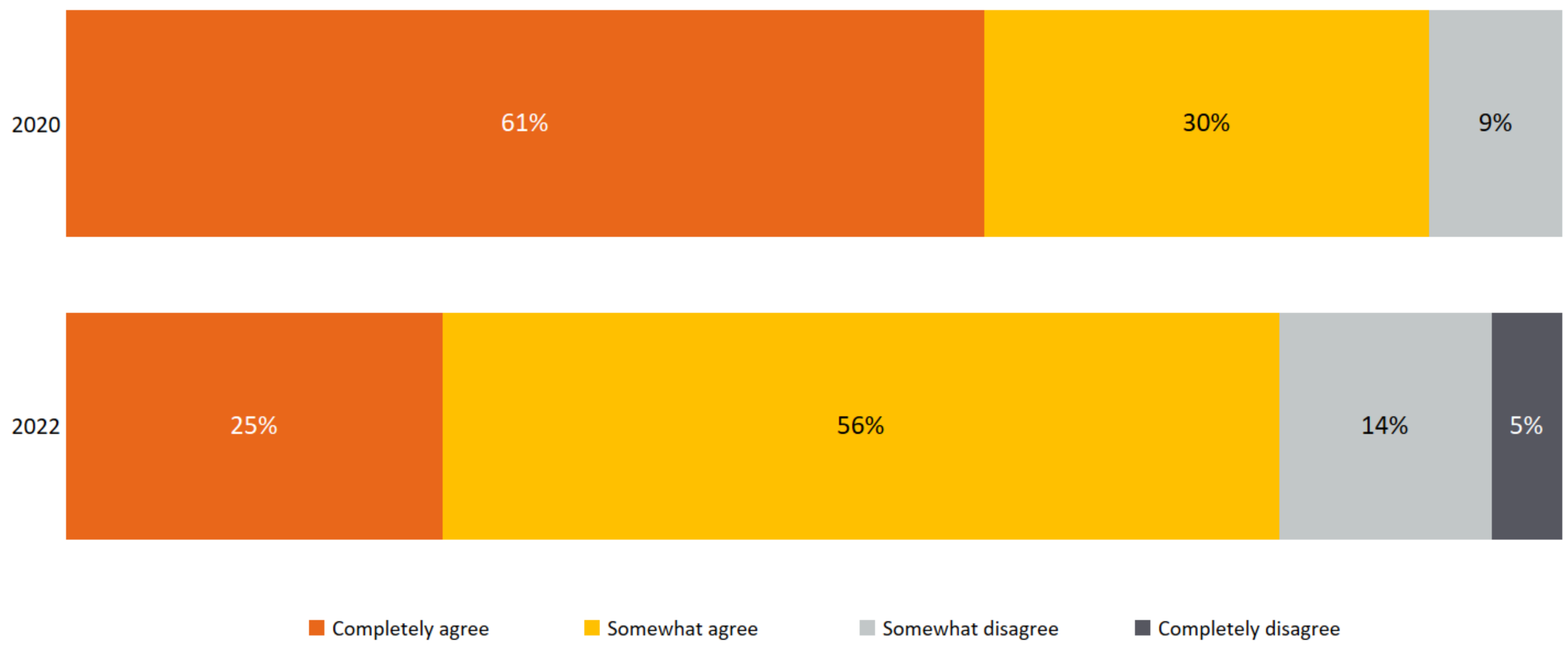
THE GLEICHER MATRIX – THE NEED FOR CHANGE



EU Biopharma n=127

Compared to 2020, the sense of urgency has dropped in EU, suggesting a more paced approach (or deprioritization?)

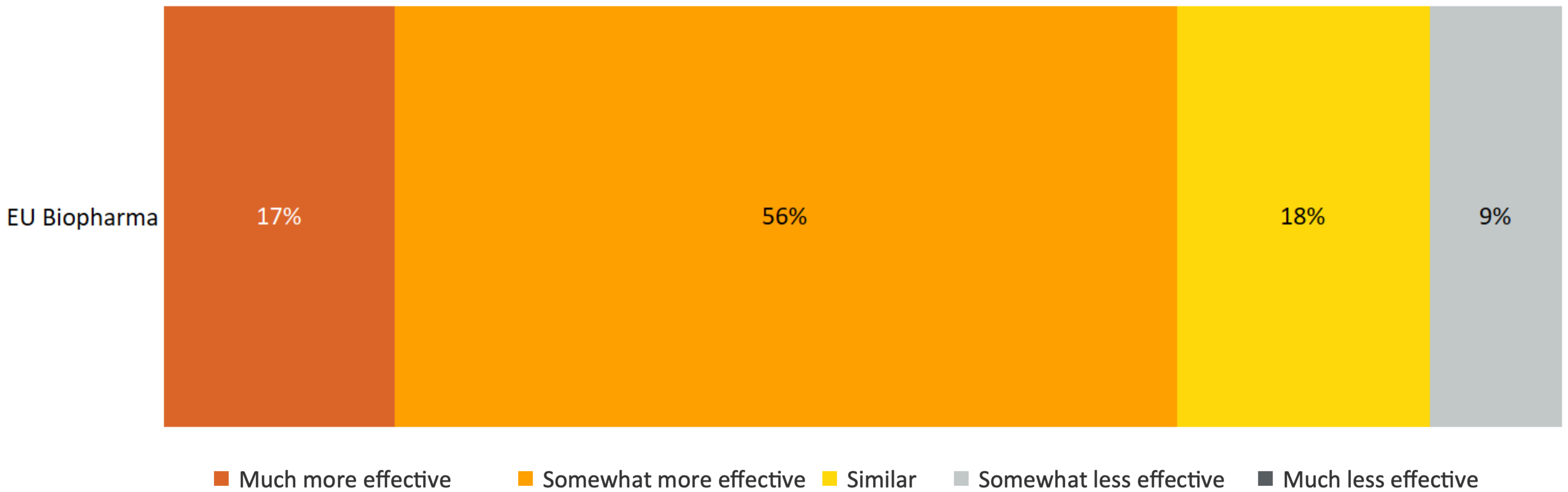
MY COMPANY HAS A STRONG SENSE OF URGENCY TO CHANGE THE TRADITIONAL CUSTOMER ENGAGEMENT MODEL



EU Biopharma 2020 n=101, EU Biopharma 2022 n=127

There is a widespread agreement that omnichannel is more effective vs the pre-covid approach

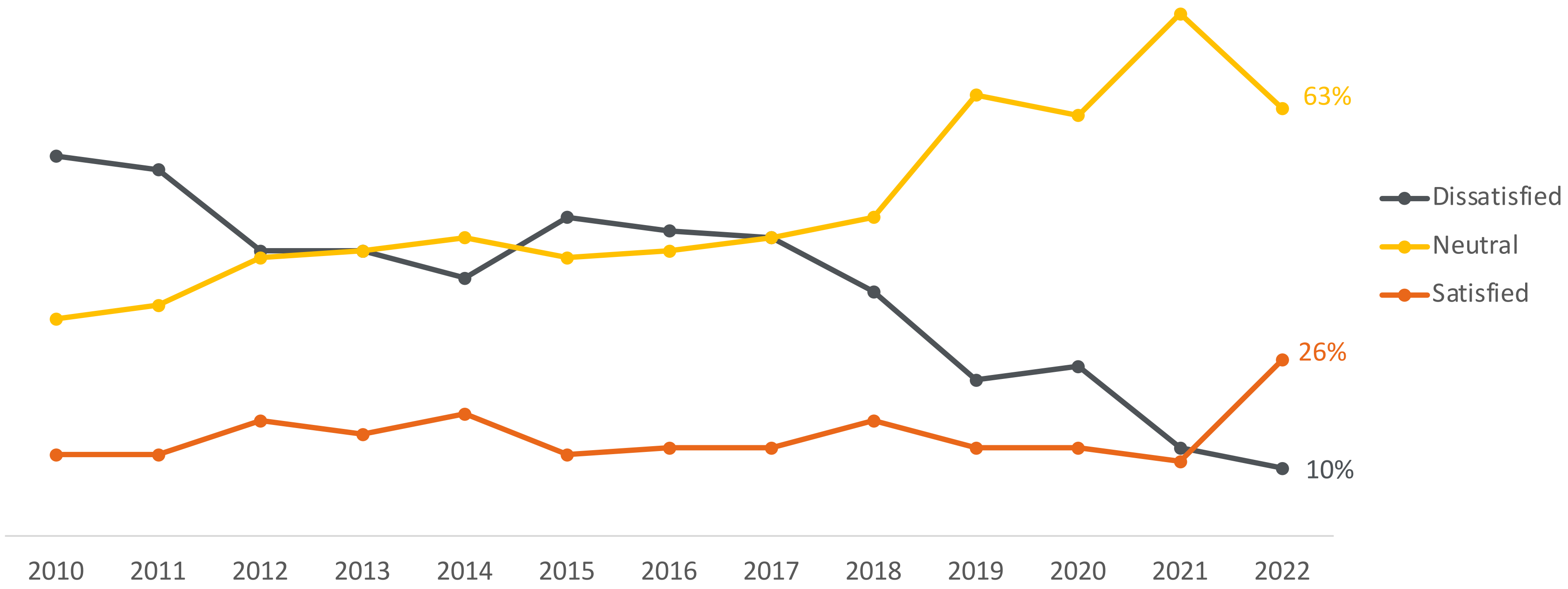
HOW EFFECTIVELY DO YOU THINK THE CURRENT OMNICHANNEL ENGAGEMENT MODEL IS VERSUS THE "OLD NORMAL" (IE, THE APPROACH BEFORE 2020/COVID)?



EU Biopharma n=127

And biopharma satisfaction is increasing significantly, while the dissatisfied segment drops from 56% in 2010 to 10%...the neutral/"on the fence" group now forms the (BIG) majority

HOW SATISFIED ARE YOU WITH YOUR CURRENT DIGITAL/OMNICHANNEL ACTIVITIES?

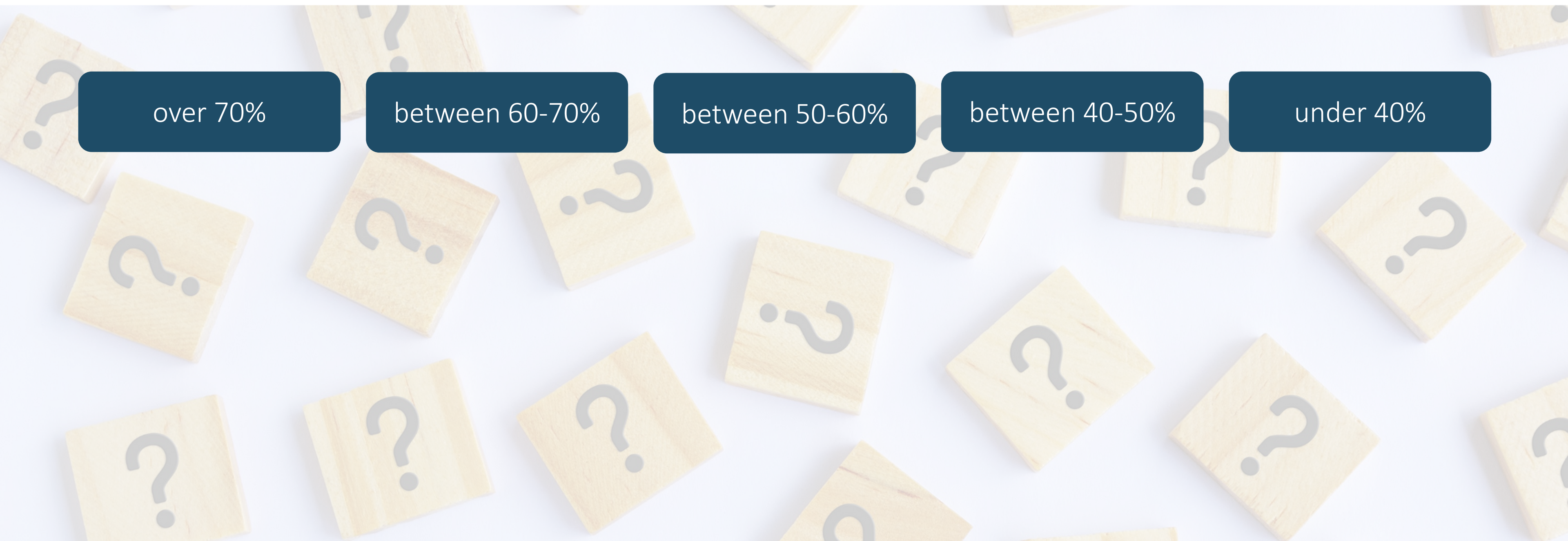


EU Biopharma n=127

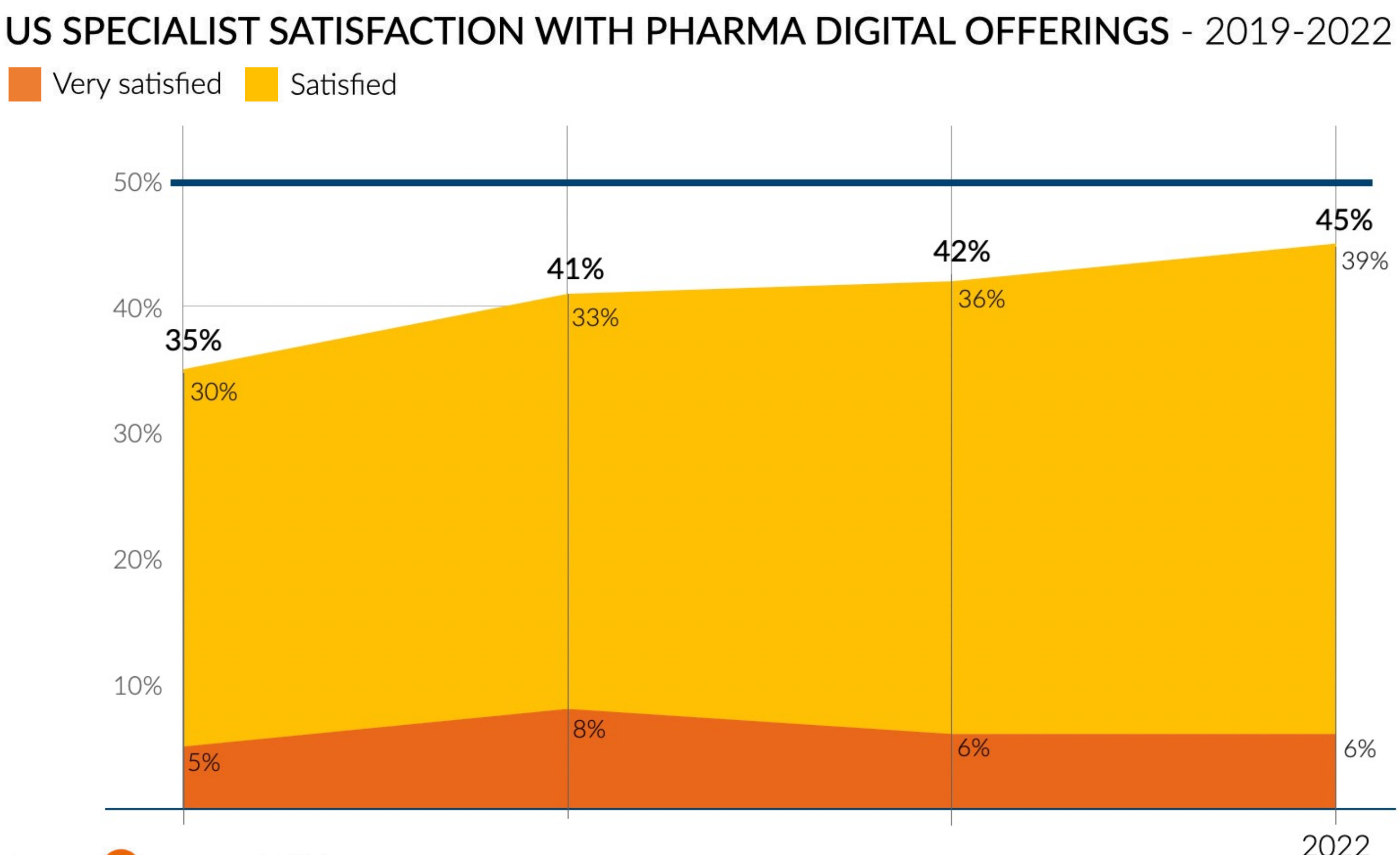
POLL QUESTION

What portion of US specialist HCPs are satisfied with biopharma digital today?

- over 70%
- between 60-70%
- between 50-60%
- between 40-50%
- under 40%



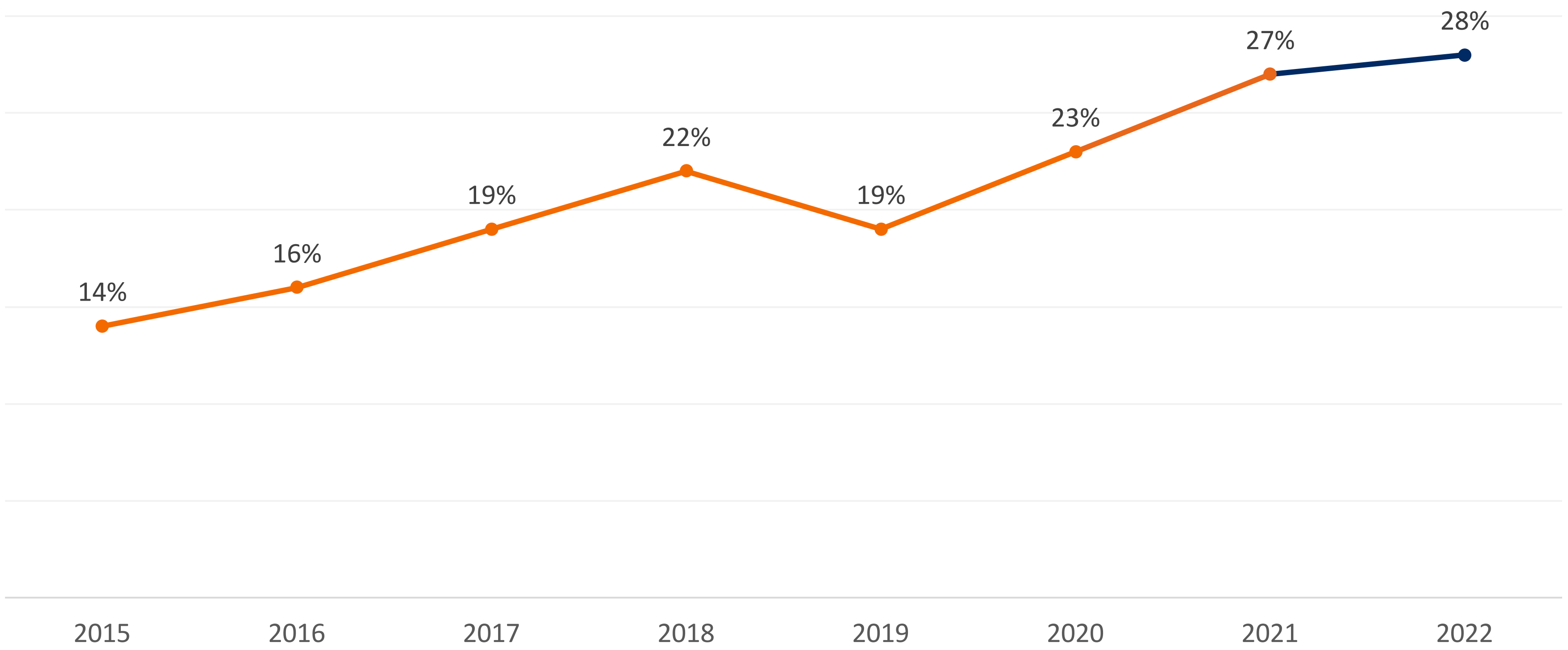
US Specialist HCPs are not (yet?) overly impressed with pharma's omnichannel efforts (similar results for EU)



Source: Navigator365™ Core - 2019 (n= 818); 2020 (n = 1303); 2021 (n = 2071) 2022 (n = 1655)

Digital budgets are levelling off, after a few straight wins since 2019 – but is this "good enough"? (avg B2B spend on digital is 50+%)

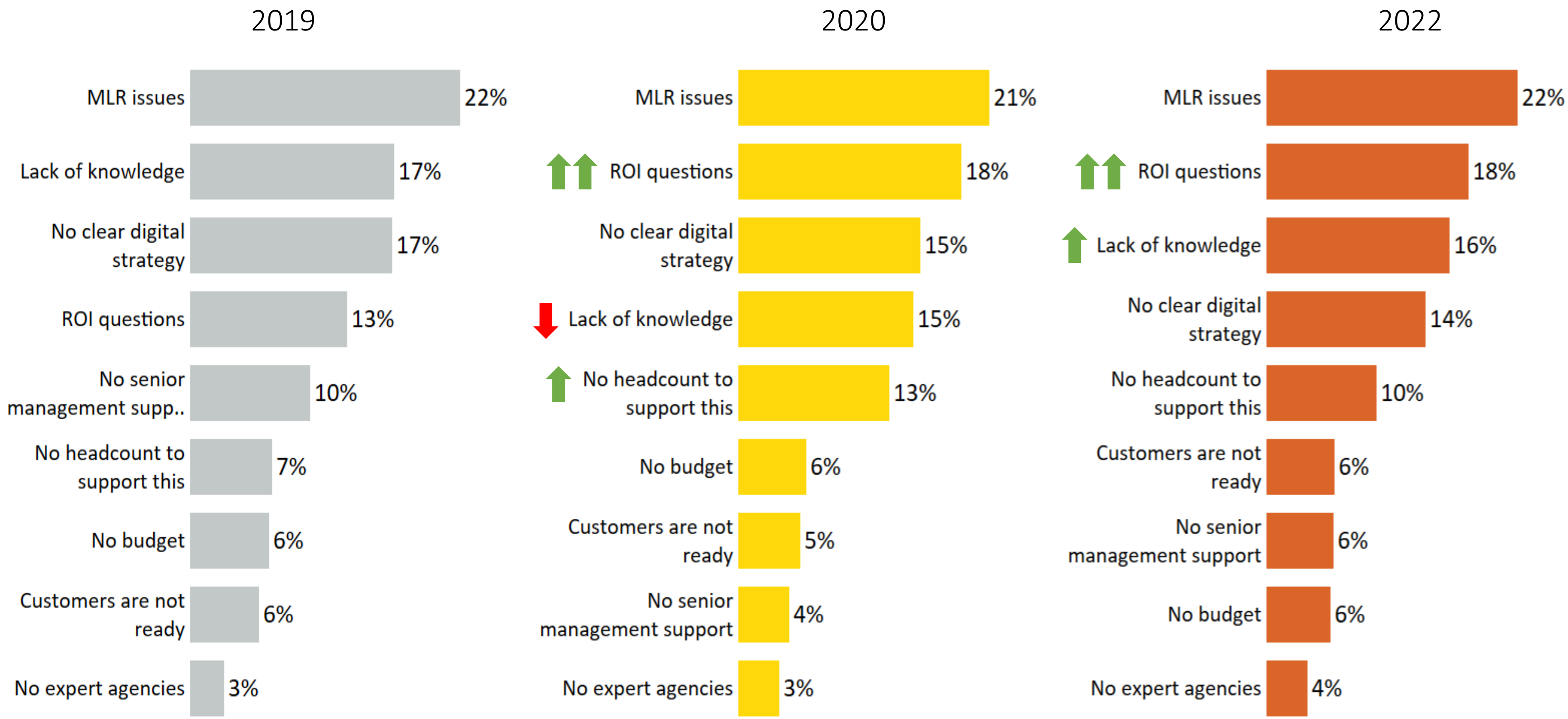
WHICH PERCENTAGE OF YOUR MARKETING BUDGET IS ALLOCATED TO DIGITAL INITIATIVES THIS YEAR? (EU)



EU Biopharma n=127

MLR remains the top bottleneck, but ROI questions and lack of knowledge have moved up the ranks – headcount poses a problem too

PLEASE ALLOCATE 100 POINTS OVER POTENTIAL BOTTLENECKS FOR DIGITAL IN YOUR ORGANIZATION



EU Biopharma 2019 n=146, EU Biopharma 2020 n=101, EU Biopharma 2022 n=127

02

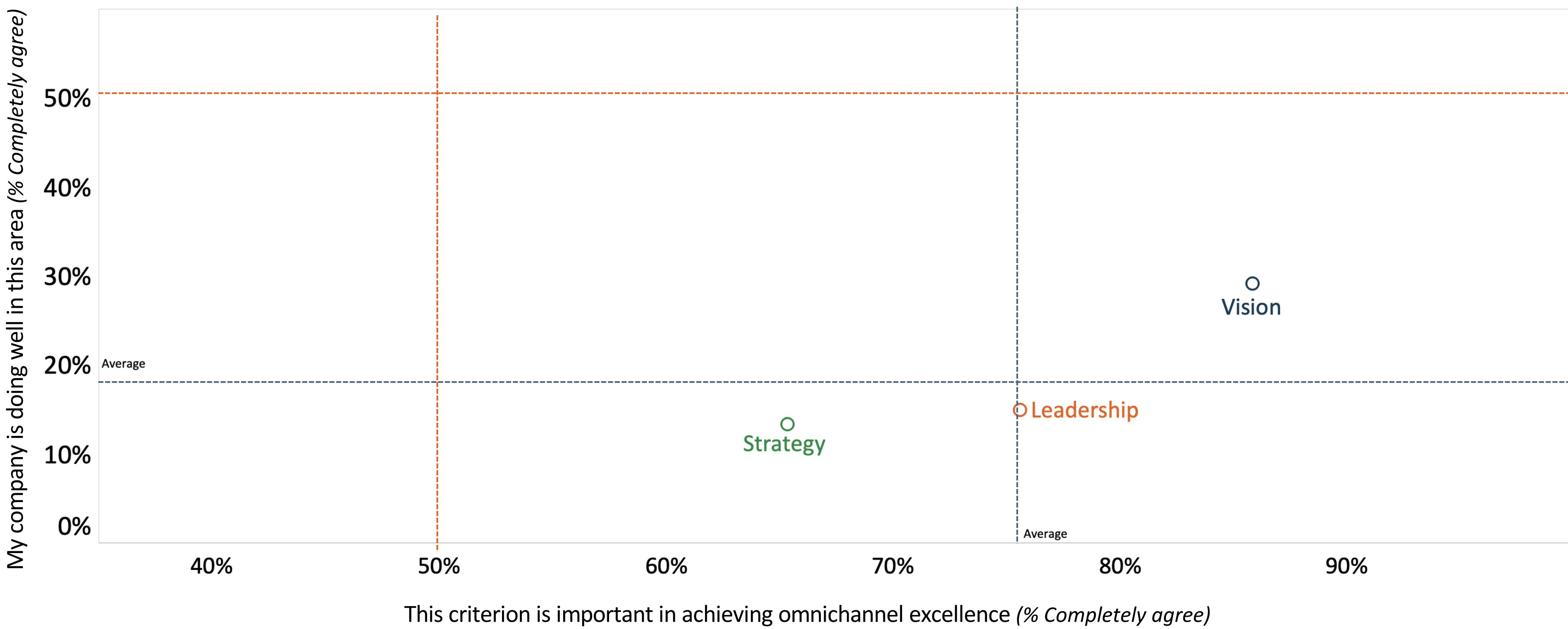
VISION & GOALS

1 Need for change × 2 Clear vision & goals × 3 Capability to change × 4 Concrete first step

Need for change × ~~Clear vision & goals~~ × Capability to change × Concrete first step = **Lack of coordination**

The change vision scores relatively well overall – but without a strategy and strong leadership a vision remains what it is: words

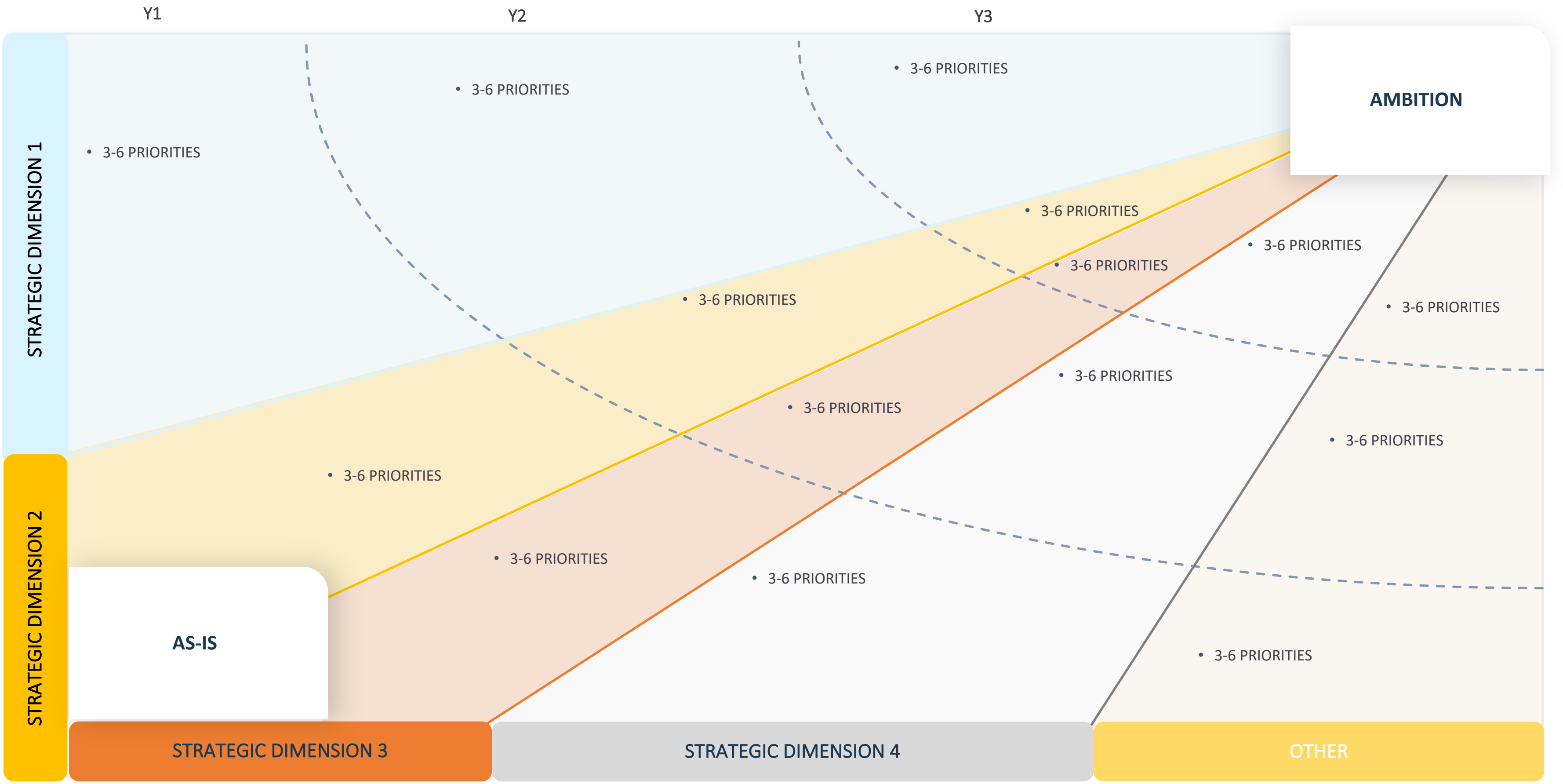
THE GLEICHER MATRIX – VISION & GOALS



EU Biopharma n=127

"Rome wasn't built in a day": example of a 3-year strategy roadmap

Example



03

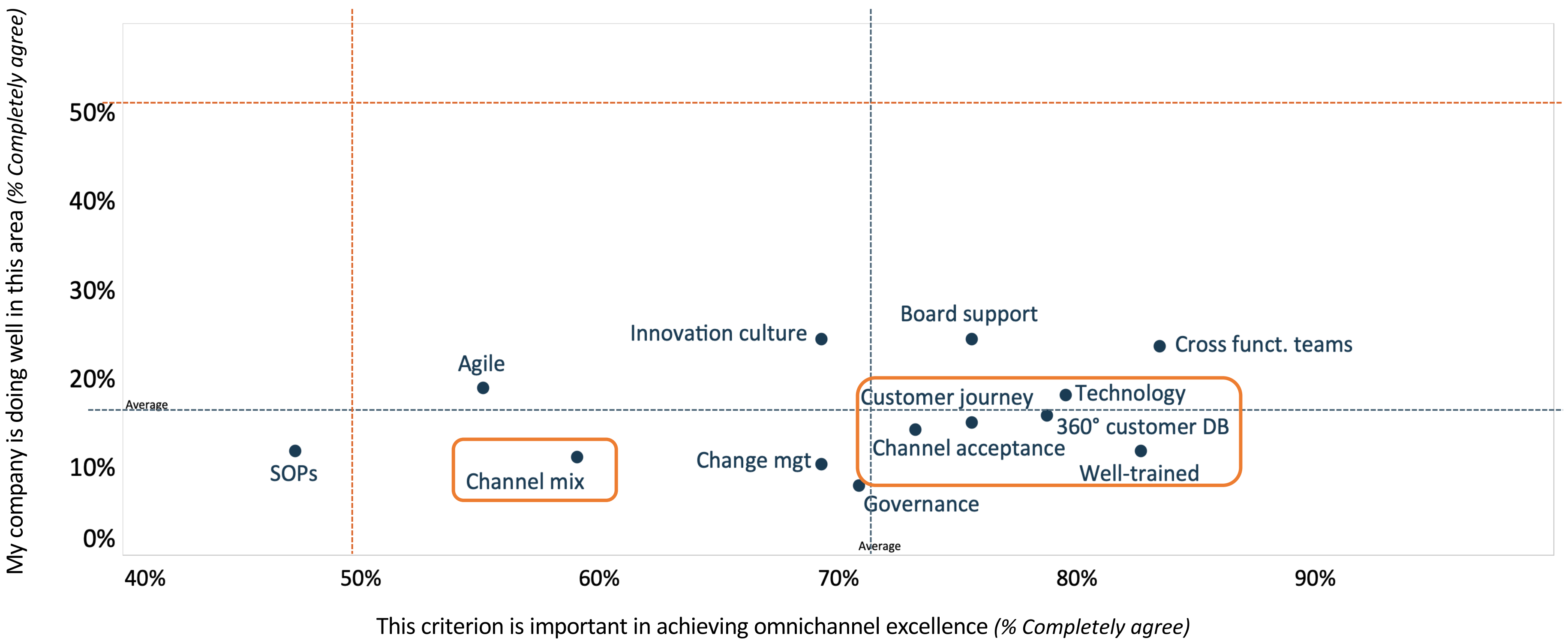
CAPABILITY TO CHANGE

1 Need for change × 2 Clear vision & goals × 3 Capability to change × 4 Concrete first step

Need for change × Clear vision & goals × ~~Capability to change~~ × Concrete first step = **Frustration**

The more "strategic" enablers (Board, teams, culture) score relatively well versus some key tactical enablers. The importance of channel mix in a customer-centric, personalized ambition is clearly underestimated

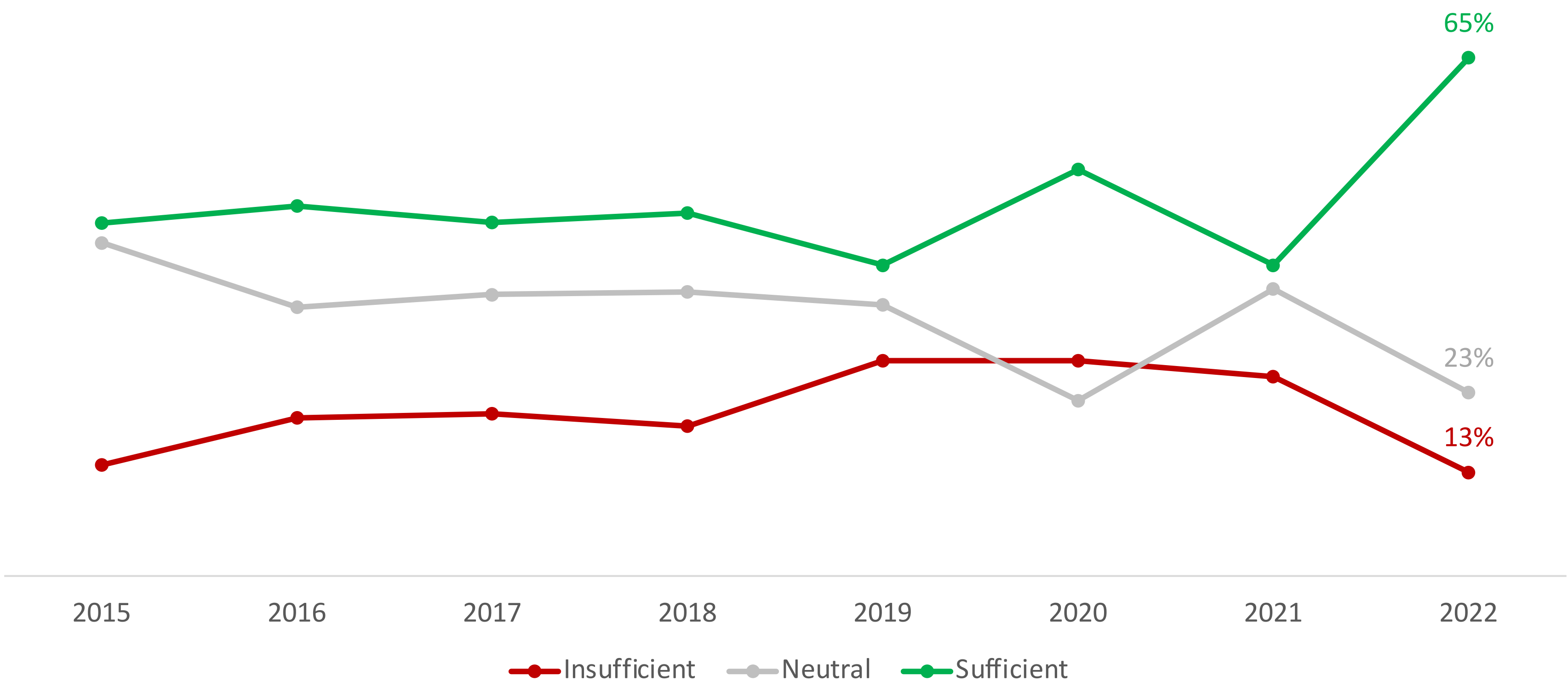
THE GLEICHER MATRIX – CAPABILITY TO CHANGE



EU Biopharma n=127

Respondents feel they have become much more knowledgeable… (but caveat: respondent bias?)

DO YOU FEEL THAT YOU HAVE SUFFICIENT KNOWLEDGE OF ALL OPPORTUNITIES OFFERED BY DIGITAL FOR YOUR BUSINESS ACTIVITIES?



EU Biopharma n=127

POLL QUESTION

How does the industry (EU Maturometer respondents) assess the impact of channels compared with European specialist HCPs?

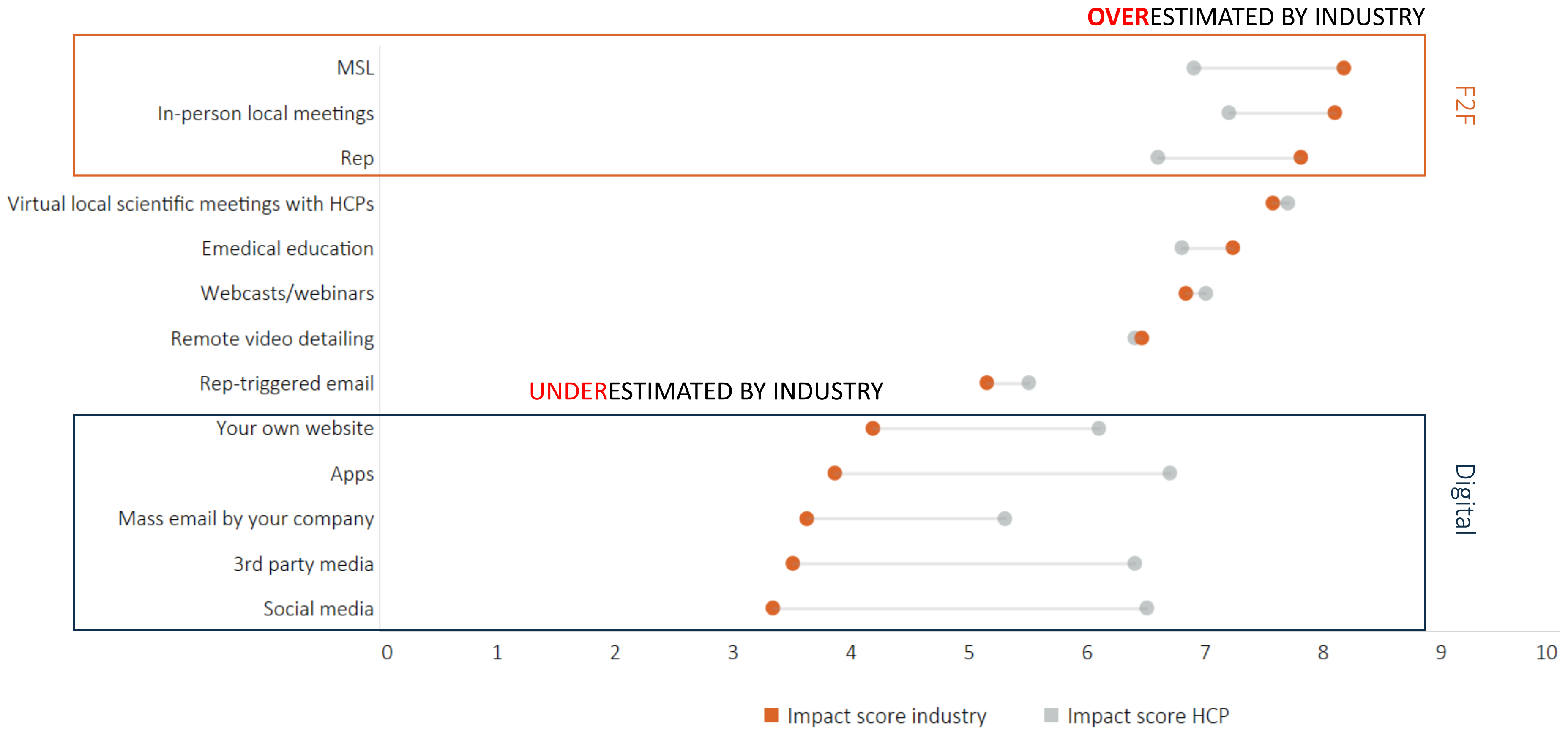
overIndustry has the same impact perceptions as HCPs 70%

Industry underestimates the impact of digital and overestimates that of in-person channels vs HCPs

Industry overestimates the impact of digital and underestimates that of in-person channels vs HCPs

These self-reported higher levels of OCE knowledge do not necessarily match with reality: e.g. pharma continues to overvalue the impact of F2F channels vs strongly underestimating several digital channels

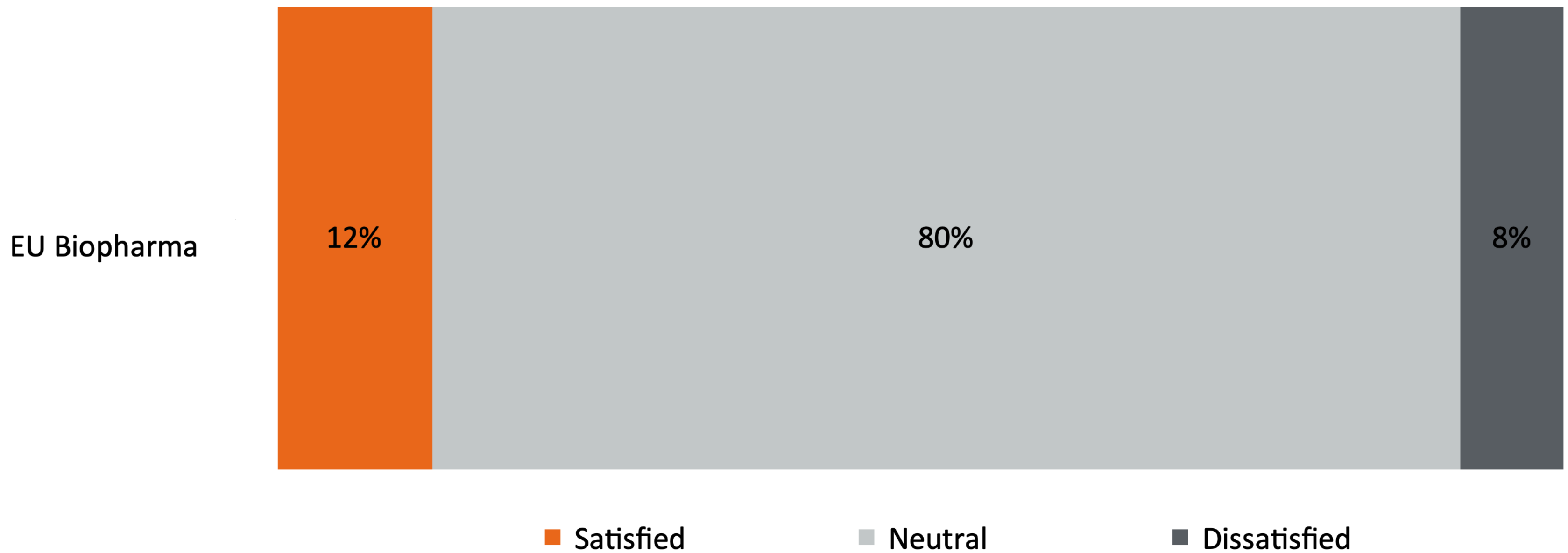
TO WHAT EXTENT DO THESE CHANNELS IMPACT THE PRESCRIBING BEHAVIOR?



EU Biopharma n=127, EU SPEC Navigator365 2021 n=4661

When evaluating the digital knowledge of peers, results look a lot weaker (in line with “lack of skills” as the 3d bottleneck in section 1 “need for change”)

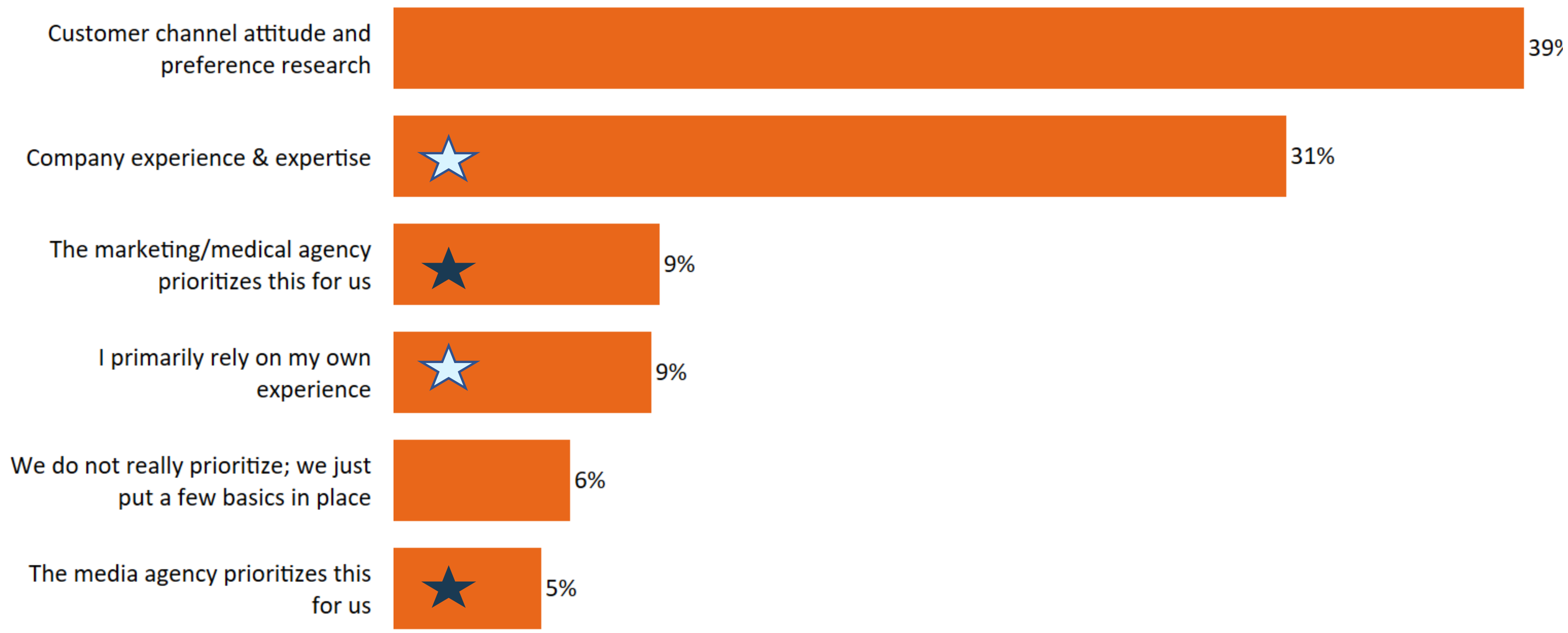
STAFF IS WELL-TRAINED IN DIGITAL: MY COMPANY PERFORMS WELL ON THIS DIMENSION



EU Biopharma n=127

In a dynamic environment, should you rely on what worked in the past (40%)? Or on agencies (14%), who may also rely on past experience? Or would just asking your customers be the logical thing to do in a customer-centric world (39% only)!

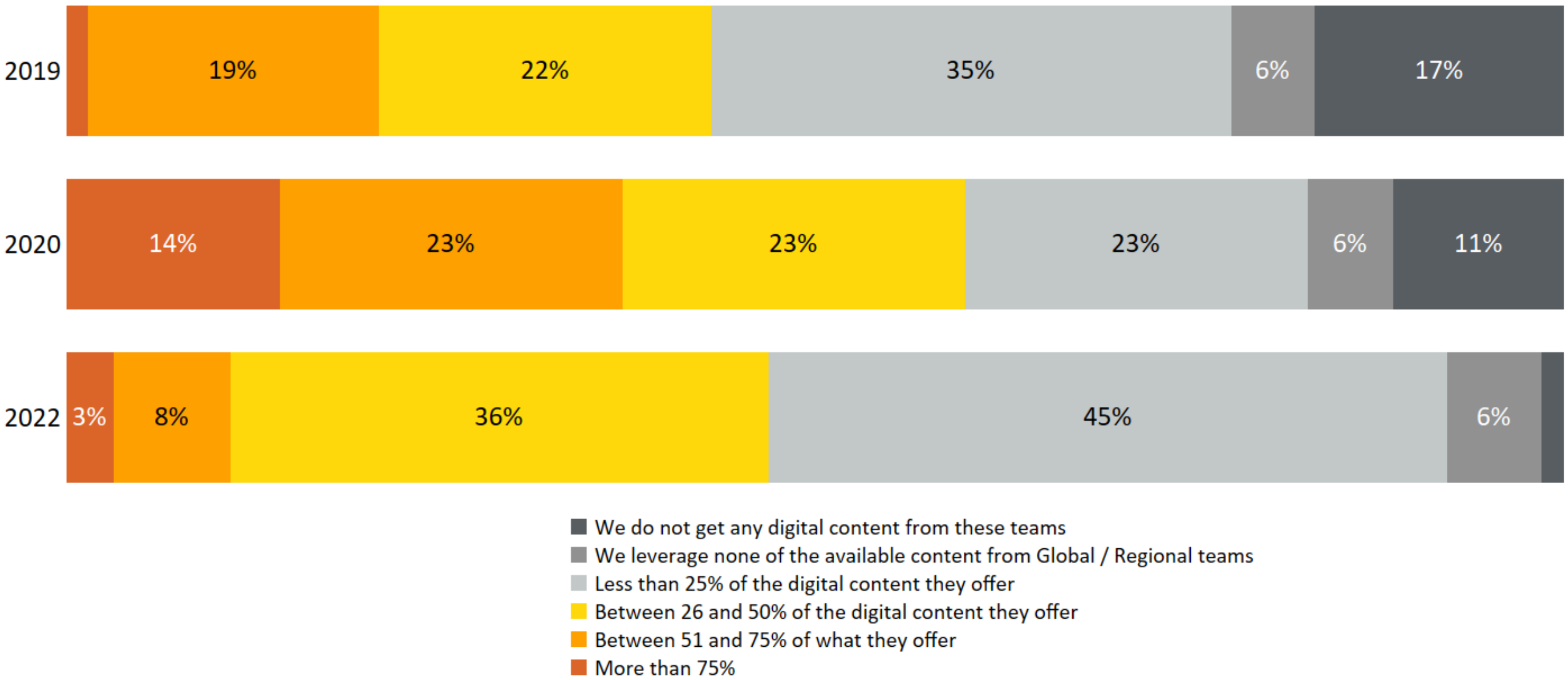
How do you prioritize digital channels for a product launch?



EU Biopharm n=127

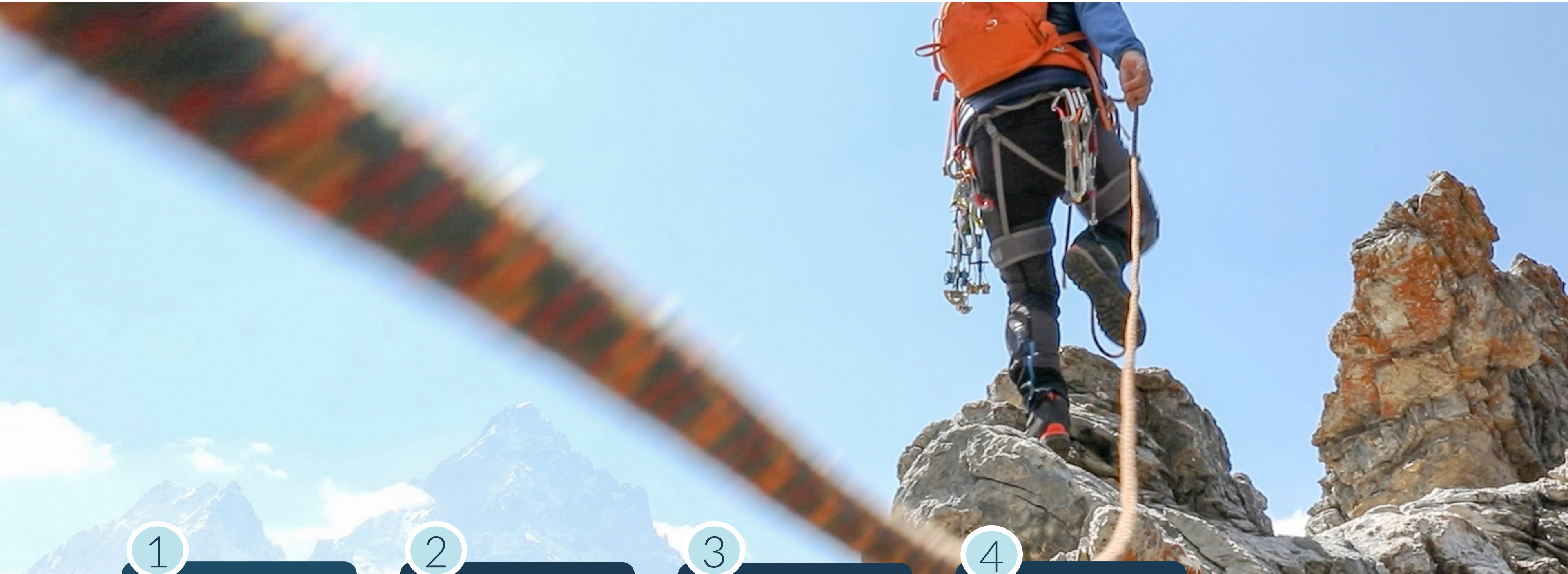
At the same time, the amount of digital content provided by HQ used locally returns to below 2019 levels – do both have the same 3-6 PRIORITIES?

TO WHAT EXTENT DO YOU LEVERAGE DIGITAL CONTENT FROM THE GLOBAL/REGIONAL TEAMS?



EU Biopharma local 2019 n=72, EU Biopharma local 2020 n=35, EU Biopharma local 2022 n=64

04
FIRST STEPS

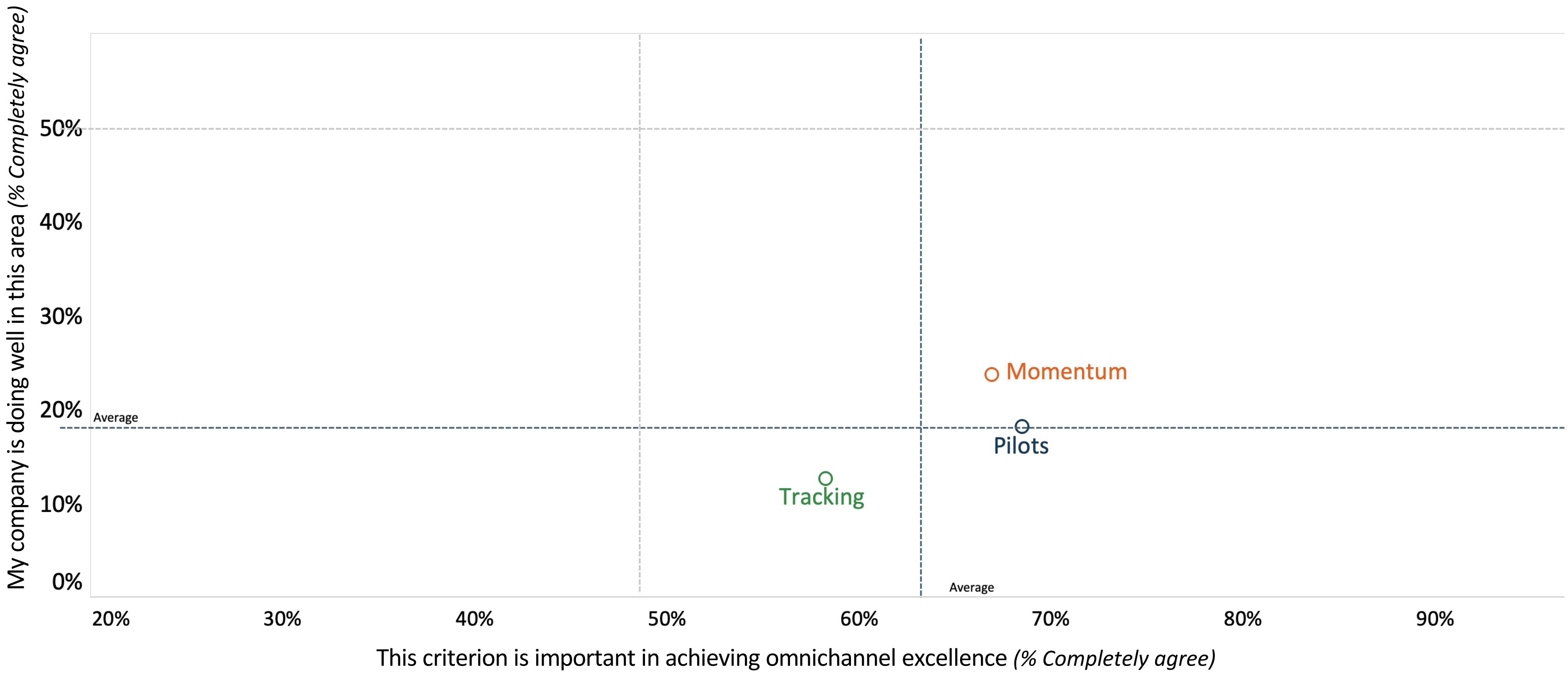


1 Need for change × 2 Clear vision & goals × 3 Capability to change × 4 Concrete first step

Need for change × *Clear vision & goals* × Capability to change × ~~Concrete first step~~ = **Lack of action**

The industry struggles to take the first steps to achieving the vision & strategy…which risks moving to a lower momentum going forward

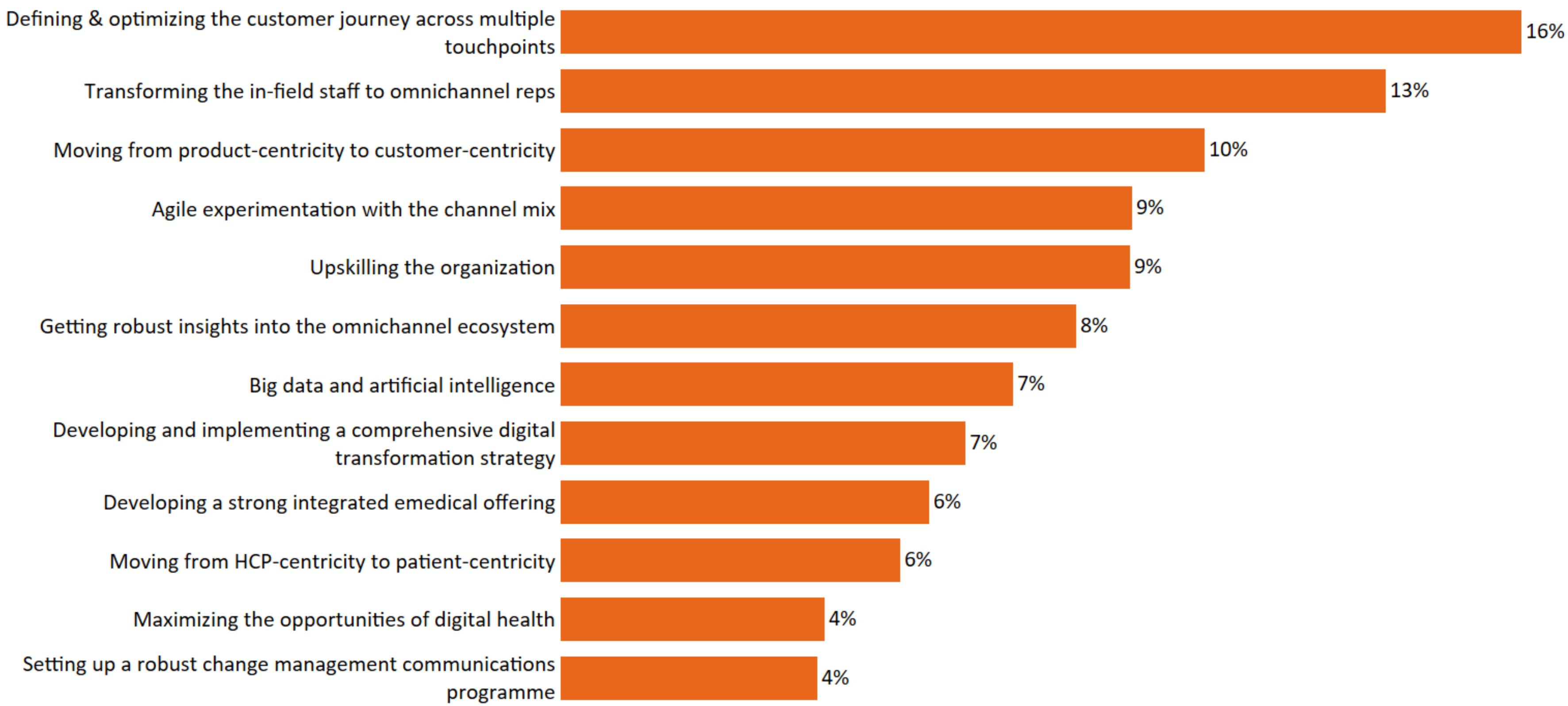
THE GLEICHER MATRIX – FIRST STEPS



EU Biopharma n=127

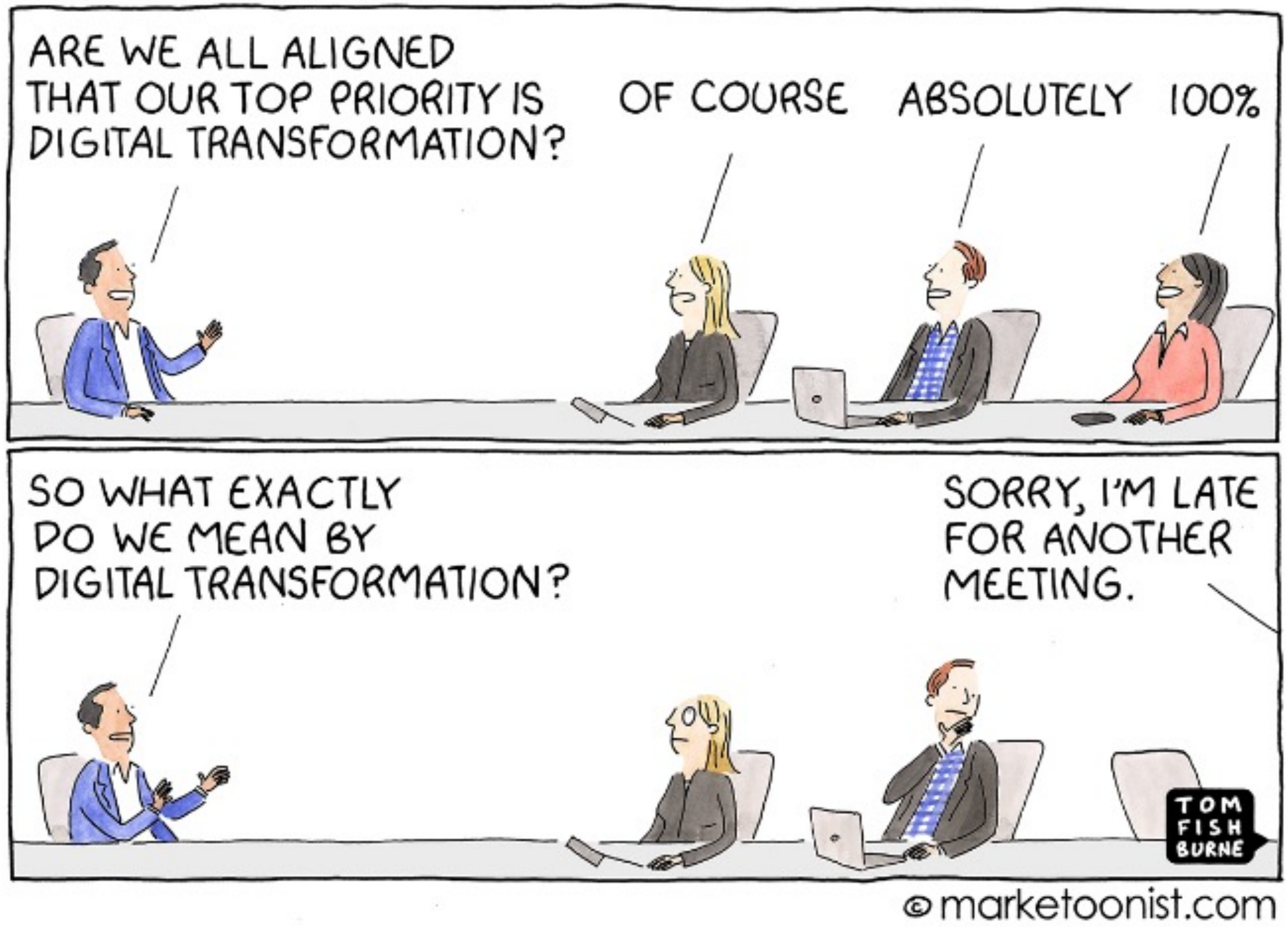
In the next years, focus will be be on the customer journey, omnichannel reps and moving to customer centricity…(and this top 3 has been consistent since 2019)

PLEASE INDICATE THE IMPORTANCE OF THESE TOPICS TO YOUR ORGANIZATION IN THE NEXT 2 YEARS



EU Biopharma n=127

Wrap-up



ARE WE ALL ALIGNED THAT OUR TOP PRIORITY IS DIGITAL TRANSFORMATION?
OF COURSE
ABSOLUTELY
100%
SO WHAT EXACTLY DO WE MEAN BY DIGITAL TRANSFORMATION?
SORRY, I'M LATE FOR ANOTHER MEETING.
TOM FISH BURNE
© marketoonist.com

Wrap-up

- ✓ Post-covid, the **omnichannel vision** and **board support** continue to be strong

- ✓ At the same time, the AVERAGE **speed of change** appears to be decreasing
  - 60+ of respondents is on the fence regarding the impact of digital
  - Under 50% of HCPs are satisfied with pharma's omnichannel offerings

- ✓ Transformation is a **LONG game**…
  - Only 10% is successful (ZS)
  - Early tactical/channel successes may lead to complacency
  - Design & execute a strong, multi-year, measurable strategy

- ✓ Hence, **key enablers & success factors** should be further developed in line with the strategy
  - Customer-centricity & journeys
  - Tracking
  - Upskilling
  - Channel mix
  - 360 view
  - …

Please reach out if you are interested in any subanalyses not covered in this webinar

Industry	Function	Region	*Other subanalysis options*
Biopharma (n=188)	Marketing/digital (n=152)	Europe (n=147)	• *Local vs international*
OTC (n=15)	Sales (n=25)	US (n=24)	• *OCE/digital vs business*
Medical devices (n=8)	Medical (n=16)	APAC (n=21)	• *Top 10% vs rest*
			• *'19, '20, '21 vs '22*

Please direct your questions to sander.geysen@a-cross.com

Want to know more? Then simply sign up to our upcoming sessions…or have a look at our on-demand webinars

UPCOMING WEBINARS

27/10/2022

Webinar

Omnichannel Launch Excellence: Medical & Commercial best practices

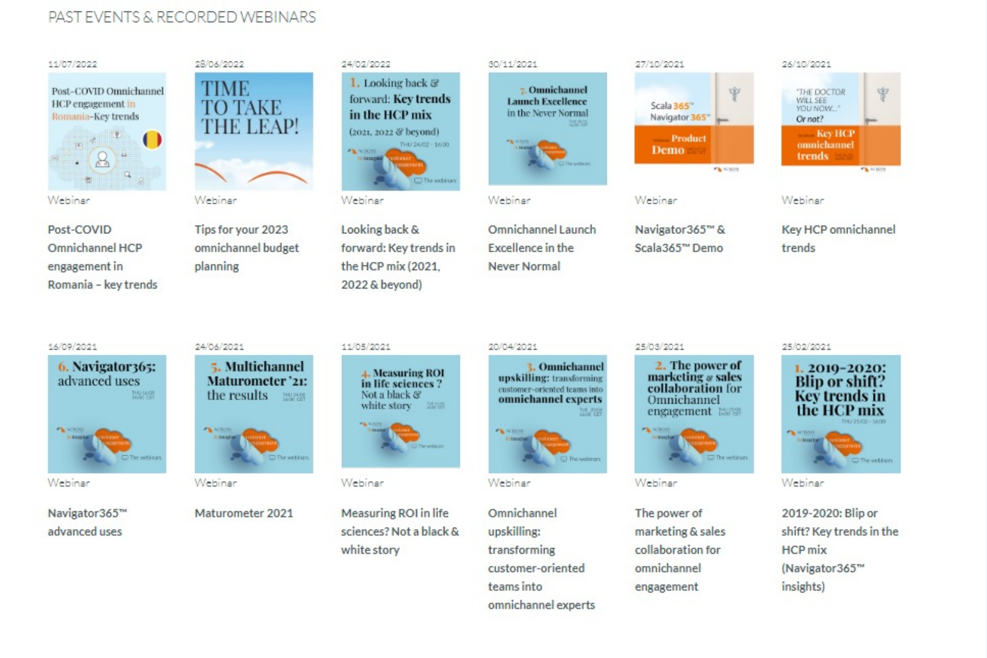
16/11/2022

Webinar

Omnichannel for Payers: A big opportunity for pharma

across.health/2022-webinars

PAST EVENTS


PAST EVENTS & RECORDED WEBINARS

11/07/2022 – Webinar – Post-COVID Omnichannel HCP engagement in Romania – key trends

28/06/2022 – Webinar – Tips for your 2023 omnichannel budget planning

24/02/2022 – Webinar – Looking back & forward: Key trends in the HCP mix (2021, 2022 & beyond)

30/11/2021 – Webinar – Omnichannel Launch Excellence in the Never Normal

27/10/2021 – Webinar – Navigator365™ & Scala365™ Demo

26/10/2021 – Webinar – Key HCP omnichannel trends

16/09/2021 – Webinar – Navigator365™ advanced uses

24/06/2021 – Webinar – Maturometer 2021

11/05/2021 – Webinar – Measuring ROI in life sciences? Not a black & white story

20/04/2021 – Webinar – Omnichannel upskilling: transforming customer-oriented teams into omnichannel experts

25/03/2021 – Webinar – The power of marketing & sales collaboration for omnichannel engagement

25/02/2021 – Webinar – 2019-2020: Blip or shift? Key trends in the HCP mix (Navigator365™ insights)

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Thank you!

Question time!