



2019 EMERGING PHARMA PULSE REPORT

WHAT TO DO WITH ALL THIS DATA?

As little as 10 years ago, many pharmaceutical companies relied largely on analysis of weekly and monthly prescription volume data and basic information about health care professionals to formulate sales and marketing plans. But, since then, the amount of data companies have access to has rapidly increased. Today, commercial teams use everything from claims data to open payments data to anonymized data from electronic medical records. Data vendors are also offering companies more detailed market information. These additional data points help commercial leaders improve sales and marketing efforts - but they also add to the amount of data and information companies must manage.

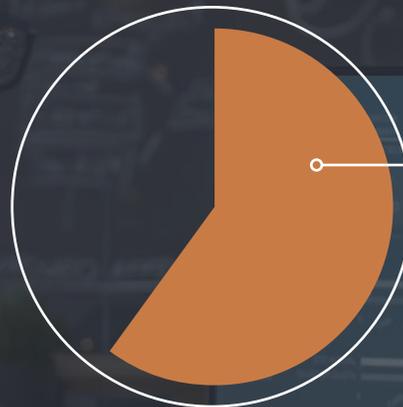
At the same time, pharmaceutical companies still face age-old challenges related to determining how to effectively promote their products, deploy their sales teams and motivate their field sales representatives. But these more familiar commercial issues are closely connected to how a company manages and analyzes its data.

IN THIS REPORT

We review the current state of pharmaceutical commercial operations. The report details how today's data analytics practices in the pharmaceutical industry impact technology deployments and sales and marketing effectiveness.

The 2019 Emerging Pharma Pulse Report from Beghou Consulting reveals emerging pharmaceutical companies' priorities and challenges for the year ahead. Beghou Consulting surveyed more than 100 pharmaceutical companies, 66% of which had annual sales of under \$250 million.

THE SURVEY REVEALED AN INDUSTRY IN TRANSITION WHEN IT COMES TO DATA ANALYTICS. WHILE SOME COMPANIES OPERATE ON THE CUTTING EDGE AND FREQUENTLY TAP ADVANCED ANALYTICS TO GAIN COMMERCIAL INSIGHTS, OTHERS HAVE WORK TO DO TO REACH THEIR FULL POTENTIAL.



NEARLY **60%** OF RESPONDENTS SAID THEY USE ADVANCED ANALYTICS ONLY "SOMEWHAT" OR TO "A LIMITED EXTENT" TO GENERATE COMMERCIAL INSIGHTS.

In today's highly competitive environment, it's crucial that all pharmaceutical companies do the work necessary to enhance their analytics operations. Product quality and efficacy are the main determinants of commercial success, but a company's data analytics processes play a significant role in boosting or diminishing a product's sales results. Many of the challenges emerging pharmaceutical companies face today can be addressed by improved data management processes and advanced analytical techniques. Emerging pharmaceutical companies can address many of the challenges they face today by improving data management processes and deploying advanced analytics.

EMERGING PHARMA'S UNIQUE CHALLENGES

Emerging pharmaceutical companies often lead innovation in the industry. But they are usually thinly staffed. As a result, they typically have fewer analytics resources than bigger companies, which can more easily deploy the personnel and technology needed to successfully execute large-scale analytics projects. For an emerging pharmaceutical company, adding highly complex analytics activities to the many complicated tasks associated with a product launch can seem overwhelming.

Overwhelming, but not impossible. Despite these challenges, emerging pharmaceutical companies can build an analytics operation that delivers valuable insights. These efforts start with creating a solid data management foundation.

A FOCUS ON ORGANIZED DATA

The Emerging Pharma Pulse Report found that many companies view data management as a pressing concern. The report found that “organizing and storing data” is one of the top challenges companies face (29% of respondents selected it as one of their top three commercial challenges).

The companies surveyed correctly discerned that data management must be a core priority for any successful pharmaceutical commercial team. But getting from that recognition of the challenge to a well-oiled data operation that produces valuable commercial insights is not easy. A key starting point is to understand how data will interact with the various technologies available to the company.

THE COMPANIES SURVEYED CORRECTLY DISCERNED THAT DATA MANAGEMENT MUST BE A CORE PRIORITY FOR ANY SUCCESSFUL PHARMACEUTICAL COMMERCIAL TEAM.



WHEN ASKED TO IDENTIFY THEIR TOP COMMERCIAL CHALLENGES RELATED TO BUSINESS INTELLIGENCE, RESPONDENTS CITED:

- ORGANIZING DATA AND APPROPRIATE METRICS FOR USE BY BUSINESS INTELLIGENCE TOOLS
- INCORPORATING NEW DATA AND METRICS INTO BUSINESS INTELLIGENCE TOOLS
- GENERATING USEFUL BUSINESS INSIGHTS

When asked about business intelligence tools, 45% of respondents identified as a top challenge “organizing data and appropriate metrics for use by business intelligence tools.” Nearly 40% identified “incorporating new data and metrics into business intelligence tools” as a top concern.

Business intelligence tools play an increasingly crucial role in pharmaceutical organizations by allowing users to quickly navigate complex data sets and gain answers to hard questions – both from the field and home office. But preparing data for analysis in a business intelligence tool is not the same as preparing it for a data warehouse.

Pharmaceutical companies need to prioritize business intelligence as they process larger amounts of data. To do so, they must have a deep understanding of the nuances of these business intelligence tools as well as the complexities of pharmaceutical industry data.

KEYS TO DATA MANAGEMENT FOR BUSINESS INTELLIGENCE TOOLS

ACQUIRE SPECIALIZED EXPERTISE

Pharmaceutical companies must acquire specialized expertise related to business intelligence tools to ensure they organize data in a way that facilitates efficient analysis. Data scientists must customize the company's data for the business intelligence tool. In many cases, this will mean "stacking" data and normalizing time periods to enable easy analysis.

MANAGE PERMISSIONS AND ACCESS

A pharmaceutical company must ensure different individuals in the organization access only the insights that are relevant to them. Additionally, companies must account for the strict requirements and restrictions that often accompany industry data, such as Physician Data Restriction Program rules. A commercial team must understand and comply with these guidelines as it sets up its business intelligence tool to avoid complications once it launches the tool to the wider organization.

PRIORITIZE DESIGN

Views within a business intelligence tool must be intuitive and visually compelling to ensure users engage with the tool properly. It's easy to sideline this issue amid a team's understandable focus on the data. However, taking the time to build an attractive interface within a business intelligence tool will ensure more users across the sales organization embrace it.

UNDERUSE OF ANALYTICS HAMPERS COMPANIES – ESPECIALLY WHEN IT COMES TO PAYING SALES REPS

Pharmaceutical companies must deploy advanced analytics – from traditional methods to machine learning – to effectively and efficiently mine data and generate insights that improve commercial efforts. However, nearly 60% of respondents said they use advanced analytics only "somewhat" or "to a limited extent" when it comes to generating commercial insights.

As the amount of data in the industry increases, emerging pharmaceutical companies need to deploy advanced analytical techniques to sift through large quantities and disparate strands of data and generate insights that propel commercial strategies forward. These analytics efforts are crucial to ensuring success across the various tactics that comprise a company's commercial operations.



PHARMA MUST EMBRACE THE BENEFITS OF THE CLOUD

Enterprise technology today is moving to the cloud. And, when it comes to data management and analytics, emerging pharmaceutical companies would benefit from implementing cloud technology.

Though 43% of companies surveyed manage their sales and marketing data warehouse in the cloud, a large number (34%) continue to rely on an on-premises server for its data warehouse, suggesting that many emerging pharma companies still miss out on the efficiency-enhancing features of the cloud:

→ LESS HARDWARE

By operating its data warehouse in the cloud, a company frees itself from reliance on an on-premises server – as well as the associated management and troubleshooting requirements.

→ MOBILITY AND ACCESS

The cloud also enables enhanced mobility and improves access to important data and materials across an organization.

→ EASIER AND MORE FREQUENT UPDATES

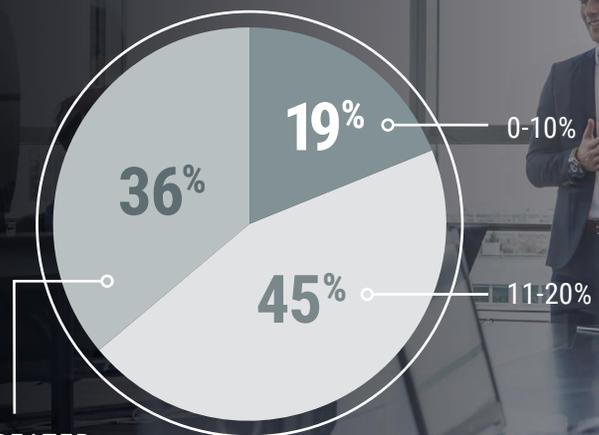
A company can say goodbye to cumbersome technology upgrades once it moves to the cloud. Instead, updates and patches can be applied quickly (in many cases, automatically), which means a company is always running the latest version of its technology.

Cloud technologies are well-established today and can help companies improve productivity, maximize uptime and enhance collaboration. Cloud-based tools that offer unified access to data management and analytics capabilities will be especially valuable as companies acquire and process ever-growing volumes of data.

The Emerging Pharma Pulse report found that many companies fall short when it comes to using advanced analytics for incentive compensation. A majority of respondents said analytics and modeling only play a “moderate” role in their incentive compensation plan design. At the same time, the report found that companies struggle to retain field sales representatives. Thirty-six percent of respondents said their companies have annual sales force turnover of more than 20%. And more than 30% of respondents identified “retaining sales people after launch” as a top challenge.

Further compounding the challenge is the fact that only 21% of respondents said they use advanced analytics for territory alignment. If a company executes its territory alignment poorly, field sales representatives in neighboring territories may end up with vastly different workloads and sales opportunities, which can lead to disparate payouts and negatively impact motivation and eventually retention.

WHAT LEVEL OF SALES FORCE TURNOVER DOES YOUR COMPANY HAVE ANNUALLY?



GREATER THAN 20%

Companies' incentive compensation plans often change in significant ways as a product matures beyond the initial launch stage. By incorporating advanced analytics upfront, a company can design maximally motivating plans at launch, and then be prepared to make appropriate changes to plans, as needed. While it's a good sign that many companies use analytics when they build and administer their incentive compensation plans, more need to make analytics the central piece of their incentive compensation processes to retain top performers.

RESISTING THE URGE TO LABEL AN HCP "NO-SEE" WILL ALLOW A COMPANY'S SALES FORCE TO MAKE INROADS WITH MORE POTENTIAL SALES TARGETS.

ARE "NO-SEE" HEALTH CARE PROFESSIONALS REALLY "NO-SEE"?

It's no secret that health care professionals are increasingly hard for field sales representatives to reach. Between health care professionals' expanding workloads and their employers' official restrictions, it's difficult for a pharmaceutical company's sales force to gain valuable (and often necessary) face time with them to explain a new product, describe when to perform companion diagnostic tests or how to deal with side effects for a therapy, or simply address questions about the efficacy of a drug.

Given the higher fences around health care professionals, a perception has sprung up throughout the industry that many HCPs are simply unreachable and these "no-see" HCPs are therefore not worth a company's time and effort. However, the Emerging Pharma Pulse Survey found that 73% of respondents said their field sales representatives are successful at seeing so-called "no-see" HCPs.

Therefore, it's important for pharmaceutical companies to not accept as gospel the formal or informal "no-see" labels on an HCP. Instead, they must triangulate and look at various pieces of information – from Sunshine Act data to feedback from the field sales force – to attempt to determine HCPs' true accessibility. Resisting the urge to label an HCP "no-see" will allow a company's sales force to make inroads with more potential sales targets.



A SET OF CONNECTED CHALLENGES

While the Emerging Pharma Pulse Report revealed challenges that span emerging pharmaceutical companies' commercial operations, they are connected – and point to one important conclusion: A thorough and effective data analytics strategy can help commercial teams improve everything from forecasts to territory alignment to incentive compensation. These efforts can help emerging pharmaceutical companies overcome their inherent disadvantages in terms of resources and put themselves in position to maximize sales and marketing results.

Emerging pharmaceutical companies propel innovation forward in this rapidly changing industry. But right behind the development of their game-changing products must be a focus on implementing advanced analytics-based commercial processes to generate insights and position companies' sales teams for success.



ABOUT BEGHOU CONSULTING

Founded in 1993, Beghou Consulting specializes in helping life sciences companies – especially emerging pharma companies – establish and manage commercial operations to better market and sell therapies. Deploying advanced analytics and proprietary technology, Beghou consultants have provided strategic counsel to the top pharmaceutical companies in the world, supporting some since infancy. Headquartered in Evanston, Ill., the firm has six offices and employs more than 150 professionals around the world. To learn more, visit www.beghouconsulting.com or follow us on Facebook and LinkedIn.

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