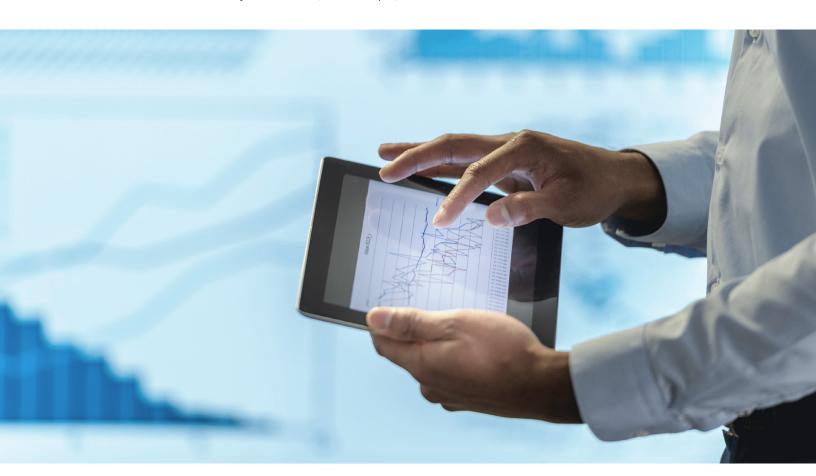# McKinsey & Company

Pharmaceuticals & Medical Products Practice

Going beyond the decile in the pharma industry

Early experiments with personalized omnichannel engagement may pave the way for new commercial models in pharma.

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Pharma is on the brink of a commercial revolution. Talented sales reps will still have a role to play, but many other aspects of the traditional customer-engagement model appear to be losing relevance, from reach and frequency management to quarterly reviews of sales-volume deciles. The old model seems to be falling short: as COVID-19 has spread, healthcare practitioners (HCPs) have not been able to interact with pharmaceutical-company representatives and other experts, such as medical-science liaisons, as they did before the pandemic. HCPs have started to ask new questions and to seek different forms of support.[1] Pharma companies are responding.

The model now evolving will bridge commercial, medical, and market access to offer flexible, personalized interactions that deliver higher levels of insight, partnership, and value to physicians and other HCPs. A few companies were already moving in this direction before the pandemic, but the shift has accelerated and amplified under the pressures of COVID-19. Changes that would normally take two or three years to complete appear to be delivering benefits in a matter of months.

Moving forward means 'customer back'

Pharma has been experimenting with elements of a new customer-facing model for the past few years through initiatives such as remote video platforms and analytics-driven real-time guidance for field teams. All too often, though, such efforts don't progress beyond pilots. Some organizations have added new channels, such as social-media platforms, but without integrating them into traditional channels (the field force, for example). Few organizations appear to step back to reevaluate their entire customer-facing model through the eyes of the customer—what we call a customer-back approach.

For example, consider the customer experience. Typically, a physician fits visits from sales reps into the daily routine, often slotting them in-between appointments with patients. For about four to six months, the visiting rep uses the same key content messages the company took months to create and approve. In parallel, the physician may receive an email from company headquarters, a link to register for a new online physicians' platform, and a visit from a medical science liaison (MSL) responding to a

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[1] For example, US oncologists consider patient access and insurance information to be the most relevant to them but feel they get it adequately less than half of the time, according to a McKinsey analysis of a physician-sentiment survey conducted by the physician-networking company Sermo in August 2020 (hereafter referred to as "McKinsey analysis of Sermo US COVID-19 HCP Survey, August 2020").

request for a study. In all likelihood, these initiatives will not be coordinated with one another, let alone with any topics the physician may have raised in recent contacts with the company.

Meanwhile, HCPs, like the rest of us, have moved to different practices and modes of communication. They use on-demand services, personalized support, and digital tools in their daily practice—and their adoption of these offerings is rising sharply with the surge in remote work. Similarly, in interactions with pharma companies, HCPs are beginning to expect that timely, personalized content will be delivered through their channel of choice at the moment they are ready to engage. Many HCPs already distinguish

between a company's sales reps and its medical-field personnel and grant the latter more remote access than the former.[2] Looking ahead, physicians expect face-to-face interactions to decline by 27 percent while the share of remote engagement more than doubles (Exhibit 1).
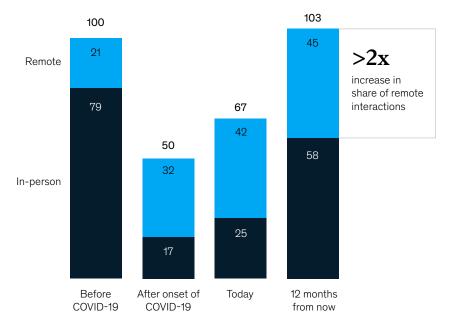
Half of physicians regard remote engagement as similar to or better than face-to-face visits. Of course, they recognize that to offer a positive experience, remote engagement needs to meet certain requirements (Exhibit 2).[3]

Physicians, seeking help in managing patients through telemedicine, virtual case support,

Exhibit 1

Physician–pharma sales interactions are expected to return to pre-COVID-19 levels, but many expect 50 percent of future interactions to be remote.

Healthcare practitioners' (HCPs') interactions with pharma companies' sales representatives by type, index (before COVID-19 = 100) (n = 1,444[1])

Note: Figures may not sum to total, because of rounding.
[1]Does not include physicians with no pre-COVID-19 sales-representative meetings (due to nature of the indexed calculation) and erroneous responses (eg, >400% increase in interaction frequency). Aggregate data from respondents in China, France, Germany, Italy, Japan, Spain, United Kingdom, and United States.
Source: McKinsey analysis of Sermo COVID-19 HCP Survey, August 2020

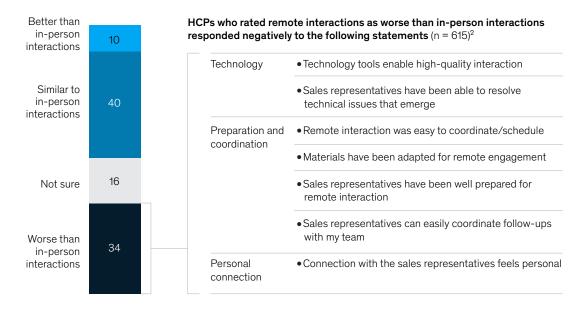[2] McKinsey analysis of Sermo COVID-19 US HCP Survey, August 2020.
[3] Ibid.
[4] McKinsey EU Physician-sentiment Survey, May 2020; McKinsey analysis of Sermo COVID-19 HCP Survey, August 2020.

Exhibit 2

Fifty percent of surveyed physicians rate the remote-engagement experience as similar to or better than the in-person experience.

Healthcare practitioners' (HCPs') perceptions of remote-engagement experience post onset of COVID-19 vs in-person interactions experienced pre-COVID-19, % of respondents (n = 1,818[1])

	HCPs who rated remote interactions as worse than in-person interactions responded negatively to the following statements (n = 615)[2]	
Better than in-person interactions — 10	Technology	• Technology tools enable high-quality interaction
		• Sales representatives have been able to resolve technical issues that emerge
Similar to in-person interactions — 40	Preparation and coordination	• Remote interaction was easy to coordinate/schedule
		• Materials have been adapted for remote engagement
Not sure — 16		• Sales representatives have been well prepared for remote interaction
Worse than in-person interactions — 34		• Sales representatives can easily coordinate follow-ups with my team
	Personal connection	• Connection with the sales representatives feels personal

[1]Aggregate data from respondents in China, France, Germany, Italy, Japan, Spain, United Kingdom, and United States.
[2]Question: Thinking across all your remote interactions today with pharma-company sales reps, please rate your level of agreement with the following statements.
Source: McKinsey analysis of Sermo COVID-19 HCP Survey, August 2020

and on-demand information about COVID-19, expect new content to be tailored to their personal needs and channel of choice.[4] They ask themselves whether it is worth their while to log in, click-through, or connect. And they expect pharma companies to be prepared: if they take a remote call, the rep had better be trained for remote engagement and equipped with suitable materials for a video call—and manage it without technical glitches.

Working together

A personalized-engagement transformation requires organizations to consider adopting new ways of working and to support them with institutional capabilities and practices—not store-

bought algorithms and bolt-on solutions. From marketing to legal, medical to business intelligence, sales to IT, all functions in this model are united by a common vision and purpose: providing HCPs with targeted insights, convenient forms of engagement, and rapid responses to make better decisions.

The transformation may begin with better, timely, and personalized content delivered through agile campaigns across a tailored mix of channels. Analytics can help guide decision making to ensure that the right content reaches the right HCP at the right time through the right channel. Revised roles and responsibilities, new cross-functional teams, and enhanced processes and systems can reshape operating models. Customer-

experience feedback may be sent to the brand team to shape future content.

Companies that integrate all these elements thoughtfully, with an eye to best-in-class engagement approaches, may have a unique opportunity for competitive differentiation (see sidebar "What can make a difference?"). A global top-ten pharmaceutical company, for example, embedded an agile-marketing process in its ways of working by running a series of agile sprints to understand HCPs' needs, followed by content mapping to meet them, campaign design to create a fit-for-purpose omnichannel experience, A/B testing the campaign, and establishing a feedback loop to refine it and measure its impact. All this was not only completed in ten to 12 weeks but also created a blueprint for running similar agile processes in the future. This campaign improved customer-satisfaction scores by more than ten percentage points (judged by internal benchmarks), reduced campaign-creation cycle times by almost 50 percent, and doubled the click rates of email campaigns. Marketing return on investment went up by more than 10 percent.

Let's take a closer look at the five elements that enable the transformation.

1. Generating unique content
Spring 2020 brought the unwelcome discovery that the monthslong content-development cycles of pharma companies had left them ill equipped for the pandemic. Oncologists surveyed in August 2020 indicated that of the four pharma topics and services most relevant for them, only one (scientific product details) had been addressed sufficiently.[5] Shifting to the radically different environment of remote interactions seemed to reinforce the negligible value of existing content. Yet companies producing fresh content seemed to have successful outcomes. Using agile processes, they reduced to just a couple of weeks the months they had formerly taken to get content to customers. By communicating this new content through a range of channels—online platforms, third-party collaborations, banner ads, and visits by virtual reps—companies boosted both access to physicians and their share of mind.

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[5] McKinsey analysis of Sermo COVID-19 US HCP Survey, August 2020.

Rapid content creation and agile campaigns apply long-established principles from software development. In one rapid iteration after another, cross-functional teams create, approve, and deploy tests to improve interactions with HCPs. The goal is to determine *what* content is needed, *when* it is needed, and *how* HCPs want to access it—and then quickly deliver all three. A "pod" of cross-functional team members brings together customer research, brand strategy, campaign development and deployment, and commercial analytics. To support the new way of working, systems and processes may be adapted through innovations such as tech-enabled content-management systems and expedited approval processes.[6] Internal and external content-production agencies collaborate toward a shared goal: rapid A/B testing and analysis to deliver superior content at regular intervals.

2. Coordinated channel mix

Every pharma company oversees a portfolio of channels. Developing and maintaining them can be relatively easy; the challenge is coordinating them, designing the user experience, and managing agile campaigns. These design considerations may require tighter collaboration between customer-facing teams. Teams and agencies developing content for sales, digital, access, and other customer-facing channels should consider coordinating their efforts around the customer they serve instead of working in only loose alignment, with separate briefings.

For pharma, the starting point is to understand how each HCP progresses through the decision journey: the steps and the pain points. Armed with these insights, teams may be able to design distinctive channel experiences that meet each HCP's needs and expectations as completely as possible. Internal design teams can review customer behavior to optimize the journey's design.

This design capability may be supported by an up-to-date marketing technology stack that allows teams to analyze appropriately collected and sourced data to better understand the needs of HCPs. These data may inspire solutions that automate key activities, structure data, measure ROI and the media mix, and generate state-of-the-art analytic models to guide best next actions.

Imagine a physician who has developed questions about the dosage for a cardiology drug from a company we'll call PharmCo. When she seeks information online, her search queries return a link to a sponsored article driven by search-engine optimization, which she reads. Seeking more information, she identifies an upcoming PharmCo-branded webinar that partially—but not fully—addresses her questions. Three days after the webinar, PharmCo's local sales representative sends an email to thank her for attending and to make himself available for follow-up questions. The physician schedules a virtual session and ultimately receives trial data that helps complete the information she needs to answer her questions.

One US biopharma company had historically relied heavily on face-to-face HCP engagement, most carried out by the sales force and the remainder by medical affairs and market-access field staff. When COVID-19 reduced customer-engagement activity by more than 80 percent, the company acted immediately—integrating channels, making all HCP interactions (personal and digital) visible to field teams, and optimizing the use of analytics. To speed up development cycles, the company decided to bring digital campaigns back in-house as a core capability of the brand team and redesigned internal roles and processes accordingly.

The company upgraded its marketing technology through a mix of "build" and "buy." It identified the data-and-analytics layer as a key source of differentiation. Conversely, it determined that tools for the automation and measurement of marketing and sales offered only limited potential for distinctiveness, so it decided to manage these activities through partnerships and existing solutions. The prompt and comprehensive actions

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[6] If appropriate and permissible under applicable laws and regulations.

of the company enabled it to turn around a difficult situation and reinvigorate its growth.

3. Analytics-driven targeting and messaging

At leading pharma companies, the basis for customer engagement appears to be moving from deciles and attitudinal segments to more refined insights. Companies use these insights to customize the engagement plan for the needs and preferences of individual HCPs.

To design analytic models of HCP behavior over time, successful companies often start by consolidating existing brand insights. These models are based on hundreds of data points, including clinically appropriate prescriptions for eligible patients. The algorithms and analytics allow the company to identify the best channels and content for an individual HCP at a given time, instead of merely generating broad estimates for groups of physicians or segments. Getting these kinds of insights right requires a close partnership between the data-analytics team that builds the model and the brand team that defines strategy, identifies key moments in the customer journey, and generates hypotheses to test.

4. Operating model

As we have noted, moving to a new commercial model may affect the whole organization: people, systems, processes, and structures. To support key capabilities, companies should not only reevaluate existing roles but also consider adding new ones, as well as additional resources (see sidebar "How may roles change?"). Processes may need to be overhauled to focus on HCPs and to feed customer insights back to the company so that they inform brand strategy. The company's infrastructure, from IT to performance incentives, may need to be reviewed and adjusted.

With so many stakeholders involved, effective change management may be critical—not only communicating the expected changes and what

How may roles change?

To serve the needs of today's healthcare practitioners (HCPs), companies should reevaluate their existing roles and consider adding new ones.

Existing roles may evolve in the following ways:

— *Sales representatives* may evolve from one-dimensional message deliverers to orchestrators of HCP engagement and experiences across multiple channels, interpreting daily and weekly guidance from analytics, curating content to personalize messages, and delivering customer insights.

— *Marketers* may become more data-driven and agile, working closely with data scientists to interpret the findings of analytics, guiding multidisciplinary teams to promote the rapid delivery of content, and redeploying resources to reflect their impact.

— *Medical affairs* may operate as a distinct but complementary channel, monitoring insights about unmet medical needs and aligning medical strategy and customer engagement accordingly, as appropriate.

The following new roles may emerge:

— *Remote-selling reps* for virtual engagement may work in coordination with field reps.

— *Omnichannel operations teams* may design channels, journeys, and campaigns and maintain operational excellence through a "test and learn" approach.

— *Data scientists and engineers* may manage growing data sets to support data interconnectivity and access and to extract insights at the level of individual customers.

they mean for individuals, but also providing regular reinforcement from the top. Leaders should show visible support by, say, dropping in on meetings to see agile campaign management in action or by working with teams to interpret and act on A/B test results. Throughout the organization, key roles, from the field force to legal compliance, will need a basic grasp of how analytics works, affects day-to-day business, and helps generate HCP insights. All staff may have to become familiar with core concepts such as agile, experience design, and machine learning and receive tailored coaching for their particular roles. Performance reviews, incentives, and business planning may also need to be adapted to reflect the desired behavioral changes.

5. Feedback loop to brand strategies

To work in this customer-back fashion, companies must channel needs, desires, and behavior back upstream to inform strategic and operational decisions. A timely and accurate feedback loop can help marketing, operations, and finance observe how HCP behavior and outcomes are changing in response to the new model. In this context, *timely* means constant feedback, not sporadic customer surveys, and *accurate* means observing how HCPs actually behave, as well as listening to them. All this feedback must inform daily strategic and operational decisions, not just annual brand-planning cycles. Senior leaders should provide reinforcement by regularly asking about customer responses.

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A few leading companies are already transforming their commercial models to enable flexible, personalized HCP engagement. As pharma's commercial revolution gathers momentum, other organizations should consider following their example—or risk getting left behind.