

The same track

Pharma companies can drive sales by aligning their systems to NHS metrics

Providing the best possible treatments for patients is the corporate goal that pharma companies state repeatedly on their websites and in their annual reports. This vision has attracted many to the industry and continues to represent a major force for recruitment. In practice, however, board meeting discussions rarely mention patients. Instead, the focus is on driving market share and maximising shareholder value. The discrepancy between the companies' public relations messages and the reality of their corporate culture destroys value by providing no employee motivation and rendering the organisation out of alignment with the interests of its only customer: the NHS.

In the pharma industry, shareholder value can also be created by removing NHS corporate barriers to optimal treatment. To do this, pharma must align its corporate performance metrics to those of the NHS, allowing client and provider to communicate as equals. By becoming patient advocates, pharma field teams can unearth regional product positioning arbitrage opportunities that match local care providers' needs and ultimately drive sales.

Aligning metrics

Like pharma employees, most care providers – from nurses to the managers of primary care organisations (PCOs) – joined the NHS to “do the right thing” for patients. Despite common values between industry and NHS employees, both have failed systematically and consistently to work together in the best interests of their patients. This is because pharma's marketing messages and supporting processes are not aligned to the needs of its NHS customers.

Pharma companies are organised nationally, work from the top down and focus solely on market share. Their field teams deliver centrally – or, most probably, globally – developed product messages to care providers. The teams are supported by clinical and health economic studies benchmarking their products against those of their competitors and by an IT system devoted



Illustration by Robert Wilcockson

to control call coverage and frequency, and market share performance versus target. The NHS, conversely, is nationally decentralised and policy decisions are made by regional care managers in PCOs working with the support of care providers. One of the biggest challenges for NHS care managers is making sense of the wealth of data at their disposal when implementing their health policies, especially now that the NHS has entered its most challenging times: the cold climate environment.

In this cold climate, budgets will decrease by between 5 and 15 per cent year-on-year for the next five years. With such reduced budgets, the NHS strategy is to treat patients in primary rather than more expensive specialist secondary care.

It is difficult for PCO managers, as care providers, to quantify the challenges they face by therapy area, to build an effective patient flow between primary and specialist care and to

implement a strategy that cuts costs while doing so. Instead, they focus on the low hanging fruit: the drug budget.

Supporting the NHS

The organisational and cultural mismatch between industry and the NHS results in misunderstandings in most of their interactions. Product prescription decisions are taken at PCO level, where managers are badly in need of analytical and implementation support. Instead of providing this support, the industry chooses to focus its energies on merely delivering product messages to care providers, who are turned off by these interactions and consequently shut their door to industry.

The creation of the market access role illustrates industry acknowledgement of this mismatch. Market access teams are intended to build bridges between their organisation and the NHS, but do not succeed because true market access should be a corporate philosophy, a

way of doing business and of engaging with customers, rather than simply a corporate function. In short, market access cannot compensate for not focusing on the NHS in the first place.

Pharma can turn market access into an aspect of its corporate culture by using the same metrics as the NHS, allowing it to deliver value propositions that match NHS needs. This requires a culture shift for pharma: field teams will become responsible for improving treatment locally, supporting the NHS in reaching its performance metrics. In this context, the existing input-driven coverage and frequency culture will become irrelevant: only outcomes will matter.

Within a regionally structured organisation, each separate region would be managed by a key account manager (KAM), who would identify NHS policy related to his company's therapy, leverage the vast amounts of data needed to evaluate NHS effectiveness in implementing policy, and then recommend and implement improvements by care providers. "KAM" is not another buzz word for relabelling existing sales representative roles: it is a different role and requires a unique set of skills. Some reps will be able to adapt, others will not.

KAM in a cold climate

In the cold climate, successful pharma products are more likely to be positioned as cost-cutting tools that help prevent patients being referred from primary into

specialist care. This positioning can be achieved via analytics, leveraging large amounts of NHS data via IT systems for every single pathway potentially involving the product. As a result, the KAM is able to identify local product arbitrage opportunities, ensuring that the NHS achieves its performance metrics and that patients receive the best treatments. To allow this to happen, head office personnel will have to become service providers for the KAMs, to ensure the KAMs are well enough equipped to engage successfully with their NHS customers. Once the industry is aligned with the NHS, companies will have to employ category management to make the relationship work.

Category management works like this: a retailer such as Tesco does not itself have the expertise and management skills to provide optimal management of each of its 50 categories (pet food, wine, vegetables and so on) and maximise sales. The retailer compensates for this by appointing "leaders" from its top two providers by category. The leader leverages the retailer's data for the entire category and advises the retailer on the best assortment range and the best time to run a promotion. In exchange for providing product and analytical expertise in that particular category, the category leader becomes the retailer's trusted adviser and partner.

In the healthcare market, the industry can leverage its therapy and analytical expertise to support the

NHS in managing its categories, its different therapies and their patients.

The future for pharma

The financial cold climate is here to stay. The NHS will keep driving prices down and reducing prescribing costs, but this alone will not bridge the financial abyss. Holistic solutions backed by local evidence, pathway redesign and implementation plans will start the journey to reduce financial deficits.

The industry can either fight back or embrace change. Fighting back will mean continuing to lobby to protect interest, and patching up broken organisations with market access managers, while upsetting their only customer – the NHS. At best, sales will stagnate. On the other hand, embracing change means adapting to NHS needs, identifying win-win situations and implementing changes over long periods with NHS customers.

Change is a difficult corporate challenge. Pharma companies will have to forget what made them successful in the past and encourage their employees to renew the values that first attracted them to the industry as fresh-faced graduates – improving patient care. Only by matching our customer metrics, identifying local arbitrage opportunities and reducing overall costs for the health service will our sales grow and our reputation with the NHS be enhanced.

The Author

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