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THE Rx FOR NEXT-GEN LIFE SCIENCES:

HOW TECHNOLOGY CAN TREAT INDUSTRY PAIN POINTS

INTRODUCTION

Life sciences companies, like many industries today, face new challenges across the board. Top-line pressures, higher patient expectations, the need to innovate, and increased regulatory burdens are among just a few of the aspects impacting medical device, pharmaceutical, and biotech companies as they evolve and seek new areas of growth.

The great news is there are new solutions that can help those in the life sciences industry not only manage these mounting demands, but also transform their companies to prove the value of their products and services, and thrive in this environment of dramatic change.

This e-book will examine the many trends and pain points in the current marketplace and show how companies can solve around them by adopting a new multi-channel commercial model, an agile platform for business automation, and solutions to empower a new focus on patient outcomes.

Table of Contents

Chapter 1

THE TRENDS AND PAIN POINTS

Advances in consumer technologies and health insurance, and innovations like big data and wearable devices are ushering in rapid change. Life sciences companies are redefining their products and services to compete in this new paradigm. At the same time, very real opportunities and tools now exist that offer companies the power not only to transform their business model, but also to give today's customers and patients what they need to effectively manage more aspects of their care.

Industry Consolidation

Life sciences companies are facing broad changes in how healthcare is marketed, where and how it's delivered, how it's consumed, and who pays for the products and services. In response, the industry is consolidating to better manage risk and better meet new customer demands. There is also a need for scale, given an increase in competition in global markets and profitable therapeutic areas.

Company Reinvention

The companies that remain are undergoing a strategic reinvention to become end-to-end providers of wellness and disease management services. They are becoming more data- and and insights-driven, creating solutions to complement and improve their traditional products and services. And their markets are evolving too, with new customers and stakeholders demanding more information about product efficacy and economics to allow access to the formulary and approved device list.

Customer Expectations

Mobile, social, and cloud technologies have altered the way customers and consumers — patients — want to interact with the manufacturer of devices and therapies. Their interactions with innovative brands in other sectors such as retail, transportation, and banking means an increased expectation for responsive and easy experiences across the board, versus a more traditional transactional relationship.

New Regulations

Taxes, pre-marketing studies and trials, health economics, data security and privacy (and other regulatory burdens) are all increasing the challenges for life sciences companies' success, potentially slowing time to market and impacting numerous aspects of product design and commercialization. Regulatory bodies around the world lag in responding to the rapid pace of technology change, meaning companies face a squeeze from customer and consumer demands and the challenge of helping regulatory agencies think differently about new technologies and services.

Product Shifts

Many products are becoming generic or facing commoditization, with a resulting massive impact to the profits and loss statements of those who own the intellectual property. Companies are responding with a shift to focus on unmet medical needs in areas that offer higher margins and differentiated value, such as specialty pharma and biologics, and on drivers of healthcare costs, such as chronic care and patient adherence. Generally, these markets are smaller and highly competitive, requiring life science companies to move more quickly and launch a greater number of products each year. The ability to be agile and to innovate all across the business — from research, to development, to product launch — has become a significant competitive advantage.

Outdated Technology

Many life sciences companies rely on spreadsheets and older point solutions to manage key processes and valuable customer, patient, and company information. These outdated and siloed information systems are a challenge, as they slow down the flow of information and work across the organization. Many companies reliant on legacy technology also report that they lack a panoramic view of the patient. Adding insult to injury, this older infrastructure is expensive to maintain, doesn't help employees move more quickly, and hampers the company's ability to respond to customer, patient, and regulator expectations.

What's Next?

Life sciences companies can transform their business to find new growth and profitability in this evolving healthcare market. Implementing next-generation cloud technology is a significant accelerator, helping companies offer more complex products and services more quickly than ever, even while expanding their geographic reach and reducing costs.

In the next three chapters, we will examine specifics on how this can be done, from the new commercial model, to the need for business agility and innovation, to focusing on patient value and health outcomes.
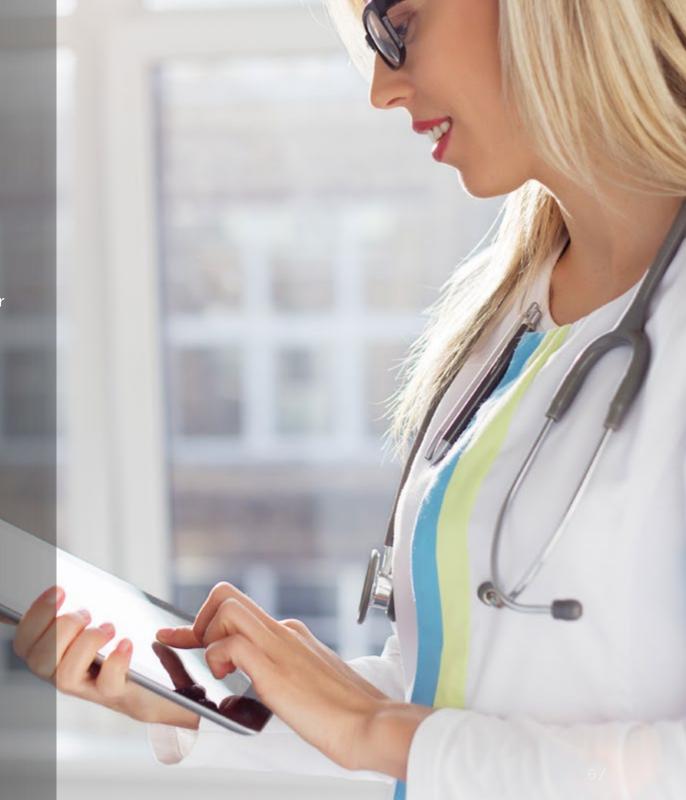
Customer Spotlight:

Zimmer

For Zimmer, the leading supplier of orthopedic devices with 100,000+ products, the key to success in this new era is increased engagement with physicians, leveraging Salesforce. Zimmer consolidated customer information from multiple systems into Sales Cloud, for greater visibility into lead generation and pipeline, and the ability to monitor compliance with strict legal and regulatory guidelines.

Now, with the Salesforce1 Platform and Salesforce1 Mobile App, reps can access customer information from the road, and use their mobile devices to show surgeons and hospital personnel how medical devices function within the human body.

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Chapter 2

THE NEXT-GENERATION COMMERCIAL MODEL

A new commercial model is emerging, changing the way life sciences companies connect with customers and release products. Physicians are using digital channels more frequently than ever, and they demand multi-channel communication, marketing, and service. This type of engagement promises a personalized customer experience across all channels, anytime and anywhere, fitting in with busy practices and lifestyles.

There are a number of reasons why multi-channel strategies are being adopted by leading life sciences companies:

- Direct sales teams have less facetime with physicians, and there has been an increase in the number of "no call" physicians.
- Commoditization in core products has led to increased competition and a greater need to differentiate. The sales model is now more complex and solution-oriented.
- Medical devices and the data associated with them are often disconnected from agents and technicians providing service, and customers lack self-service or online help options.

"70 percent of pharma [sales and marketing] executives identified mastering multichannel marketing as a top strategic priority."

-Accenture, 2013

- Companies are releasing an increased number of products due to fewer "blockbusters." As a result, continuous communication with the field and education of new customers are imperative to keep everyone up to date on new indications.
- Digital tools are needed to move products through development to commercial launches to increase sales uptake faster.
- New customers and stakeholders, due to the shift in product and therapy areas, bring different buying criteria and data needs, such as health economic value and efficacy.

As a result, life sciences companies need to deepen customer relationships and add more value around commoditizing disease states and products. They also need a lower cost of sales to offset increasing margin pressures.

Features of a multi-channel solution include:

Physician and patient communities that deepen relationships with doctors and allow companies to engage with patients early on. These communities help with education, especially disease prevention and management.

Multi-channel marketing that engages stakeholders by sharing information targeted to their practice area, on their preferred channel, at the right time. This should also include listening and engagement across social channels to understand their preferences and areas of interest, and personalized campaigns and journeys.

Proactive customer service that empowers patients and physicians to find the answers they need, 24/7, including self-service options and faster responses on medical affairs inquiries from service centers. Multi-channel service is a key differentiator for companies in the new, more competitive landscape.

Connected medical devices that provide tools, data, and outcomes-based information. This helps care providers better manage and service devices across the continuum of care, and helps prove the health economic or medical value of a device in the new, more regulated environment.

Solution sales that empower reps to sell complex solutions in real-time. Multichannel customer relationship management (CRM) allows reps to shift away from a transaction-based model, and instead offer cost-effective, highly targeted, and compliant consultative experiences for customers throughout the customer lifecycle.

Customer Spotlight:

AmerisourceBergen

For many large companies, coordinating across departments and geographies can be a challenge. AmerisourceBergen—which has more than 15 brands and a wide variety of consulting, marketing, and technology services—has instilled collaboration into the core of their company culture with a philosophy and vision coined the "Power of One."

With employees dispersed widely across the globe, AmerisourceBergen has come to rely on the Salesforce1 Mobile App for connecting people across the organization. The national sales team, for example, collaborates and shares information securely from anywhere using Salesforce1 on their mobile devices. AmerisourceBergen's product distribution arm uses Sales Cloud to track account and order information. Reps use Service Cloud to respond to 6,000+ customer inquiries from a variety of channels each day.

Custom apps — built with the Salesforce1 Platform — manage the company's complex returns processes, flu vaccine orders, new-business applicants, credit and collections, and more. By automating returns processing, the company has reduced turnaround times from 70 days to just three.

THE NEED FOR BUSINESS AGILITY

If there was ever a time for life sciences companies to adopt agile technology that helps both IT and the business deploy new and innovative solutions, it is now. The need to compete in lucrative, emerging markets, along with increased regulatory pressures, means that speed to market counts more than ever. In addition, there are more data available that can provide more personalized and targeted products for local markets. Companies face more urgency to increase their medical product pipeline and connect global employees and stakeholders.

Legacy technology does not typically meet new business needs due to:

- Siloed information in disparate systems that result in the inability to leverage data across organizations to create better operational results, new sources of competitive advantage, and better outcomes for patients and customers.

"60 percent of [pharmaceutical] executives indicated improving digital effectiveness was a key priority."

-Accenture, 2013

- This outdated technology is often expensive to maintain and lacks the advancements required to support the modern, digital business needs of today. IT services tend to be inflexible and costly due to numerous point solutions in place

- Because IT teams are typically stuck maintaining legacy technology, they often face a backlog of needs and wants from business users. Managing infrastructure and upgrades is time-consuming, and keeps IT from focusing on building the innovative solutions their users need.

- Outdated legacy applications result in dissatisfaction and poor user adoption of hundreds of non-mobile apps.

Meanwhile, advantages of adopting agile technology include:

Development speed that allows IT departments to go faster when building custom applications that improve and automate business processes like inventory management, while also modernizing existing apps.

Connecting everyone in the value chain using applications that accelerate time to market and improve patient results. IT is also better able to collaborate with the business to meet user needs and can catch up on the backlog of development requests.

Real-time visibility from apps that link employees, patients, healthcare providers, and partners, no matter where they are across the globe. In addition, the information in disparate systems is linked so health insights can be leveraged where needed.

Increased productivity due to social and mobile apps that appeal to today's knowledge workers. Employees already use these tools in their personal lives and respond to the opportunity to also leverage them at their workplace.

Improved engagement with patients by offering new services such as health management apps that allow monitoring across the continuum of care. These also lead to better adherence from patients and better care results.

Customer Spotlight:

New England Biolabs

New England Biolabs produces specialized enzymes and other reagents for DNA research. Inspired by the Internet of Things, New England Biolabs wanted to connect its freezers in customer labs to better serve the needs of researchers. The company built a connected freezer with the Salesforce1 Platform; now they can keep in touch with researchers in real-time and better anticipate their support needs before a problem has even occurred.
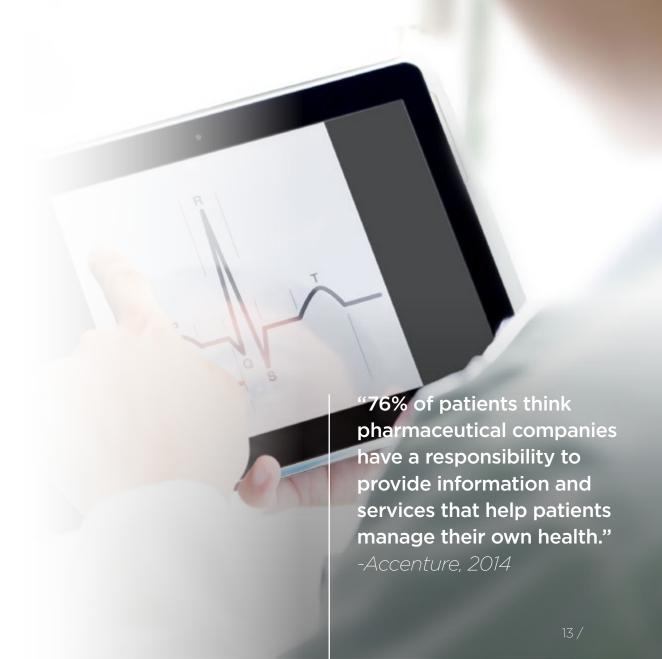
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"The Salesforce1 Platform helps us to be more responsive to our customers' needs."

– Andrew Bertera
Executive Director of Marketing, New England BioLabs

THE FOCUS ON VALUE AND OUTCOMES

Mobile and social tools mean that patients enjoy greater transparency when it comes to costs and quality of care. With the wealth of digital information available, researching treatments is easy, and as a result, patients now have a more active role in and influence on care plan decisions. New technologies are empowering hospitals, physicians, providers, and life sciences companies to collaborate closely on the most important part of the health equation — the patient.

Further trends driving this new focus in the life sciences industry include:

- Healthcare reform has also placed a greater emphasis on outcomes and patient experiences. This new focus replaces the older fragmented approach, where one care provider might not be aware of care by another provider or portions of a patient's medical history.

"76% of patients think pharmaceutical companies have a responsibility to provide information and services that help patients manage their own health."
-Accenture, 2014

- Patients are increasingly the economic buyer of healthcare services, with changes such as high-deductible health plans and individual insurance policies, and are more involved in decision making due to bearing more of the cost load.

- Life sciences companies are under increasing pressure to provide solutions that ensure better overall care for patients. Offering nothing more than a pill or a device is no longer sufficient. There must be follow-through, compliance, and proof of better outcomes.

- Patient adherence to care plans is also an essential part of ensuring positive outcomes. If an individual is diagnosed with diabetes, but does not do as recommended and use a glucose monitoring device, the end result may not be a positive one.

Life sciences companies adopting a value and outcomes focus can benefit from:

Data streams and analytics that provide more actionable, personalized information to patients in order to help them with their care experience and drive better outcomes. These also serve to empower patients to take a more active role in their care.

Patient services, leveraging apps, communities, and other resources supported by multi-channel service centers. These give consumers the option to interact directly with a pharmaceutical or medical device company, so they have support from other helpful channels outside of their physician.

Better visibility into patient history and underlying contributors to the patient's ailment, all in one open and flexible system of record, to give providers a better basis for data-based decision-making.

Solutions and software, such as apps, that track patients through their treatment journey. These give physicians the ability to better manage deployments of things like medical devices, across the continuum of care.

Customer Spotlight:

CNS Response

Consumers use crowdsourcing to find everything from great restaurants to cheaper haircuts. But until now, the concept has yet to take hold for more serious matters — such as helping medical professionals address their patients' illnesses.

CNS Response is an innovative neuroscience company that maintains a database that lets physicians exchange data on individual patient medication response and outcomes. With CNS's online registry, doctors can crowdsource recommendations for psychiatric treatments and medications based on what's been effective for other patients with similar brain patterns.

CNS's database has grown to contain 37,000 outcomes and has helped more than 9,800 patients. All of that information is contained in Salesforce and can be easily viewed and updated by medical staff members. Doctors can input information on iPads while in the exam room with patients — via a custom app built on the Salesforce1 Platform — and then get personalized reports for patients in real time.

Conclusion

Life sciences companies face a major challenge to transform their business model quickly, or miss emerging opportunities. Medical device, pharmaceutical, and biotech companies must become service providers, delivering novel products more frequently, and finding new avenues of differentiation.

Adopting modern cloud technology is key to lowering costs, building new solutions and business models quickly, taking advantage of global market opportunities, gaining competitive advantage, and meeting higher regulator, customer, and patient expectations.

Salesforce solutions for life sciences companies are designed to handle the industry's unique needs, including the challenges brought on by the new era of health reform, globalization, and physician and patient expectations. By leveraging cloud, mobile, and social technologies, Salesforce helps companies innovate, accelerate, and become truly customer- and patient-focused companies.

SALESFORCE SOLUTIONS FOR YOUR INDUSTRY.

While every industry has its unique challenges, building stronger connections with customers and employees—and everyone that matters to your business—is vital for all industries today. Let us show you how Salesforce solutions can transform your business, and enable your entire organization to work together to engage with each other and with customers like never before.

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