

Reuters Pharmaceutical Study Insights

Prepared for Reuters
By SIS International Research, Inc.



Table of Contents

I. Executive Summary	3
II. Key Insights in Corporate Sustainability	
In Person vs. Digital	4
Technology and ROI	6
Workforce Compensation and Skills	8
Future of Interaction	10
III. Key Takeaway	11

Executive Summary

Digital transformation is a leading topic in modern business. The pharmaceutical industry has been fundamental for healthcare development and well-being. Digital channels are increasingly necessary for healthcare.

Top 3 Advantages of Digital Channels: Increased sales, Extended reach to new/demanding clients, and Higher ROI.

Something that came in the form of an emergency measure (pandemic) had unexpected sales results.

Technology investment extended to many different technologies, but not all were successful.

Internal adaptation and adoption, complexity, unclear benefit or ROI, and Industry regulations were some obstacles the companies perceived for more extensive technology adoption in recent years.

Experience in the pharma industry is the most valued skill for current new staff in the companies

Adaptability/flexibility, digital skills, and business acumen are the other skills they feel will be most valued in the next two years.

In-person strategies are still considered of high value for sales personnel.

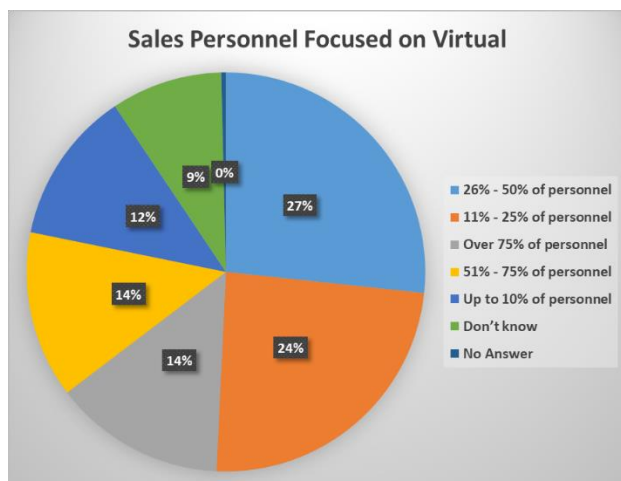
Now that they can compare many digital and in-person strategies, they value the second due to the effectiveness to close sales, and build better relationships and trust with clients.

In Person vs Digital

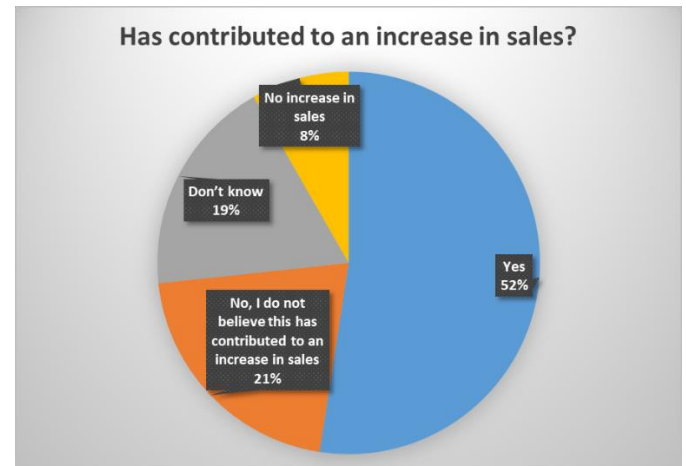
We wanted to learn how the last 3 years have changed the way organizations work around the world, focusing in pharma industry and evaluating opinions from multiple executives located in different regions.

Sales personnel focused on virtual: 27% say from 26 to 50%, 14 % say from 51 to 75%, and another 14% say over 75% of their personnel is focused on virtual.

The home office trend and lockdowns produced by the pandemic response seem to have changed how sales personnel focus their efforts in pharma companies since 78% think this number has increased in the last three years.



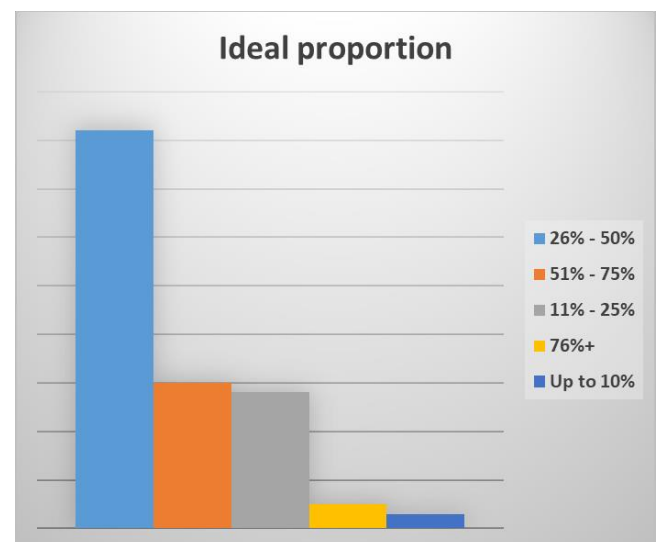
According to 52% of the respondents, these changes have contributed to increased sales.



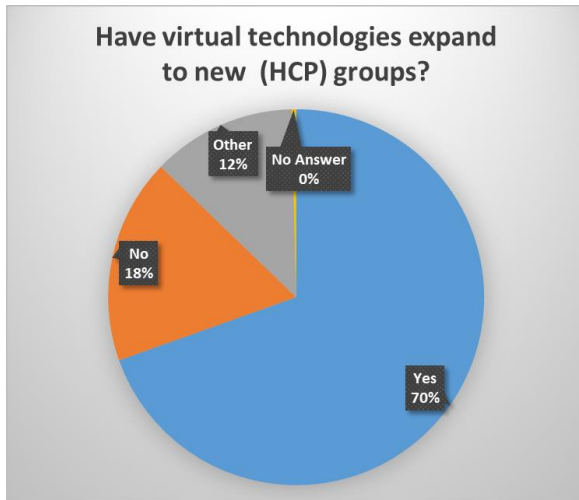
58 % said that more than 76% of field engagement was done in person three years ago.

47% also perceive that the virtual trend will continue to grow in the next two years, and 29% will remain the same.

56% think that the ideal proportion for the digital channel for field engagement ranges from 26 to 50%.



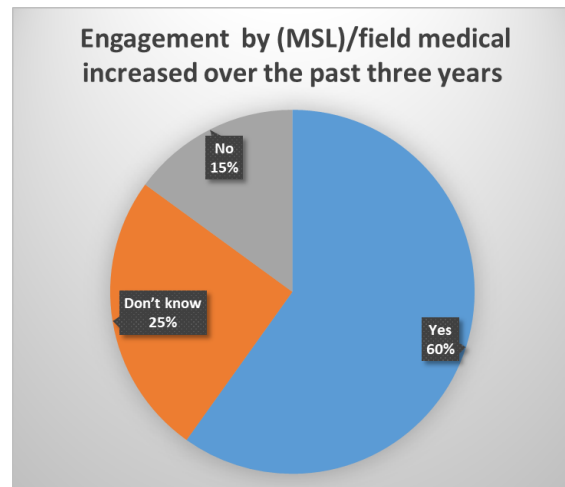
70% think virtual technologies have enabled their organizations to expand to new HCP groups



Some of the HCP groups that Virtual technologies have let them reach more easily were:

- Hospitals with No rep/limited access policies.
- Higher level HCPs.
- Academics.
- HCPs in remote regions.
- Decentralized, independent.
- Within retail environment
- No customers, unknown.
- It is challenging to see Critical Care Physicians, Pharmacists, Interns, Resident medical officers, or higher levels as more approachable.
- Specialty groups, special care, specialty pharma.
- Tech-savvy, younger physicians
- Harder to reach/see groups.

60% think the proportion of engagement conducted by medical science liaison (MSL)/field medical increased over the past three years.



And 83% think this outreach proportion will continue to increase in the next two years.

Key Learnings

Change to Digital Channels increased sales.

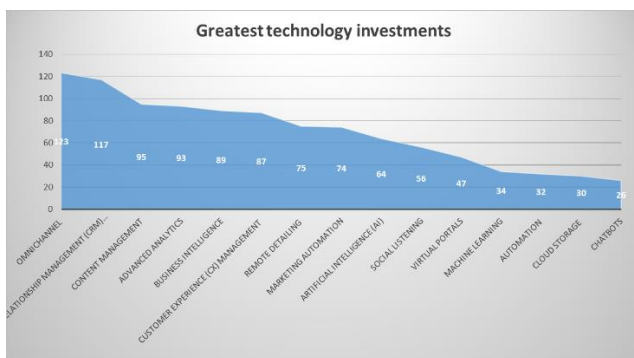
Even if the change was forceful at the beginning, they noticed better sales results than expected.

Virtual technologies allowed organizations to reach HCP groups to that they previously had no access.

The digital channels/efforts allowed them to reach hard and even unknown segments and clients, so, in the end, the results will boost their digital sales presence in the coming years.

Technology and ROI

Most mentions of technology investments in organizations in the last years were: Omnichannel 12%, CRM 11%, Content Management 9%, Advanced Analytics 9%, BI 9%, and CX Management 8%.



Social Listening, Cloud Storage Chatbots, and Natural Language Processing had very few votes.

Omnichannel, CRM, CX Management, and Business Intelligence were the Technologies with the highest ROI for the organizations.

Automation, Social Listening, Machine Learning, Cloud Storage, Chatbots, and Natural language processing were the technologies with lower ROI for the organizations.

They also mentioned that in the next 12 months, the Technology they plan to invest in substantially:

- Advanced Analytics
- Content Management
- Marketing Automation
- Artificial Intelligence (AI)
- Virtual portals
- Machine Learning
- Automation
- Business Intelligence

Large budgets (cost), ROI, Adaptation, Internal adoption, Complexity, and Compliance with industry regulations are seen as some of the most significant barriers to effective technology investment in their organizations

Chatbots, Remote Detailing, Omnichannel, Marketing Automation, CRM, Social Listening, and AI are perceived as the least successful Technologies for their organizations.



The reasons for the lack of success are very different and depend on the variable analyzed:

Chatbots: Learning curve/ Not a good customer experience/ Not advanced enough/ Spam.

Remote Detailing: Low Adoption/ ROI/ Lack of meaningful insights, behavior change.

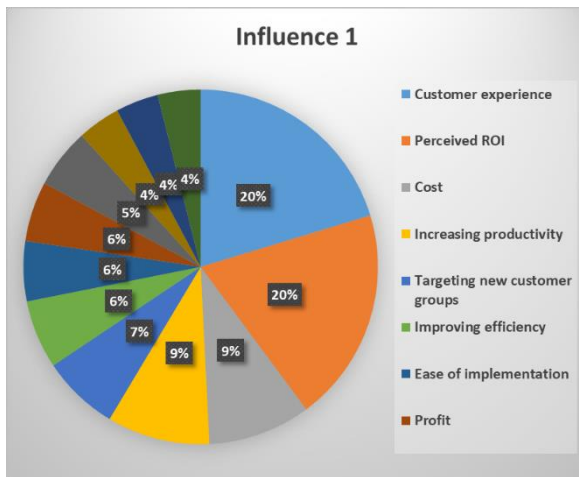
Omnichannel: Lack of Internal Skills/insufficient time/ poor adoption/inconsistent quality.

Mkt Automation: Low commitment/ Poor Execution/ Too complex/ Little customer uptake.

Social Listening: Not the right tech personnel/ compliance issues /insufficient insights/overload.

AI: Not valid predictions/ not scalable/ slow uptake/ Over promised deliverables.

The Top 3 Influences to invest in Technology for their organizations are Customer Experience, Perceived ROI, and Cost.



Regulation, Competitor activity, Growth, and Improving internal user experience were considered the least influential factors.

For a majority, Virtual engagement allowed them to: access new customer groups, understand the product better, manage the follow-up of the sales more efficiently, and have the best cost-effectiveness.

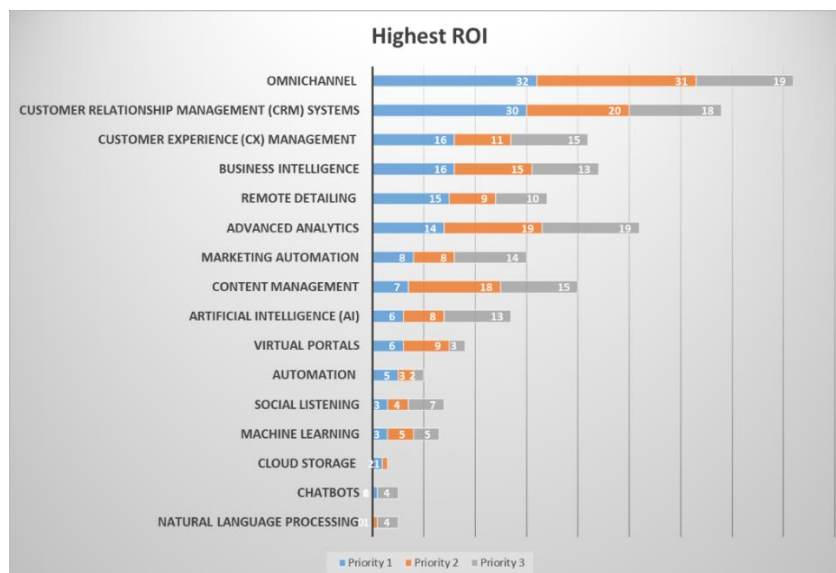
On the other hand, for a more significant majority, In-Person Engagement allowed them to improve Relationship building, Ease, and Close sales and Retain Customers better.

Key Learnings

Significant investments do not always mean the best ROI. We can see that companies often invest in Technology based on trends and look for results when sometimes not even their staff, company, or tech suppliers are ready to implement it. That fact has led many companies to a more cautious approach when they plan for future investments in Technology.

Technology to analyze and bring in customers - In-Person to improve relationships.

For most companies, the benefits and limits of Technology are clear. While they admit that communications and sales reach have improved enormously with it, in-person contact still is basic for them to close the deals and build a closer relationship, trust, provide better service and retain good clients.



Workforce Compensation & Skills

Experience, Communication Skills, and Interpersonal/relationship-building skills are the Top 3 Skills companies were looking for in the past three years (pre-pandemic years).

On the other hand, in the next three years, Adaptability/Flexibility, Digital skills, and Business Acumen will be the Top 3 Skills the companies will be looking to hire.

Some of the other skills mentioned in the pre-pandemic years (3 years ago): Marketing Experience, Attitude, Ability to adapt to a fast-paced environment, Ability to manage time, etc.

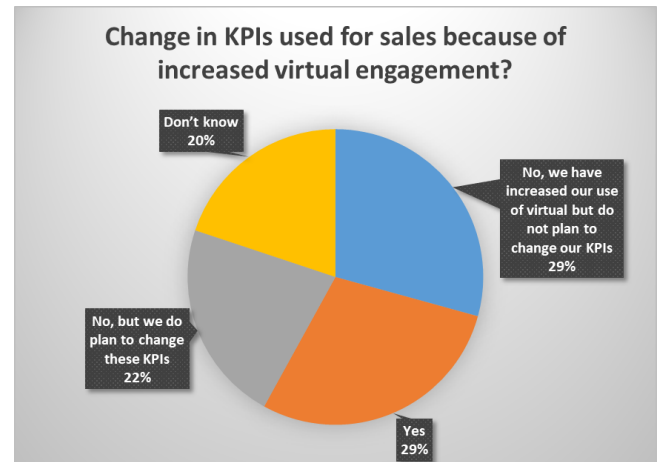
Some other skills are mentioned for the next three years: Interpersonal skills, Customer Focus, Problem-solving, Agility, Analytics, Teamwork, etc.

Some top KPIs to determine Sales compensation are % of Goals/Quota achieved, Sales Contacts, Revenues, and profit. % of Sales targets, Number of calls, Conversion from the competition, Closed/won deals, Custom made KPIs and others.

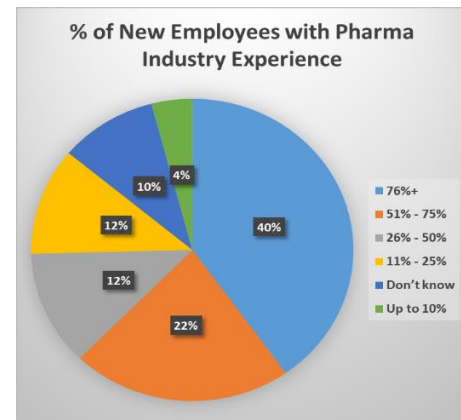
The stronger regulations in Auto Industry seem to be working better than others. Meanwhile, 14% of Finance Companies mentioned they are already.

Even when digital engagement has increased, 29% of companies will not change their Sales KPIs, 22% have changed them, and 22% of the companies plan on changing them.

We can observe that most companies have adapted/will adapt their Sales KPIs to the new Virtual Engagement.



40% say that more than 76% of new employees in commercial functions have experience in Pharmaceutical Industry



The roles of the new employees hired within the last two years are Sales Rep, Account executive, Account Manager, Customer Success, Marketing Manager, MSL, and Product Manager.

Regarding the age of New employees, 47% say it remained about the same, and 31% say it decreased.

Currently, the most significant hiring investments are in Digital operations 25%, Commercial Operations 23%, Salesforce 18 and IT and Data 15%.

Business development, Business Intelligence, and CX Experience Planning & Optimization are other functions mentioned.

The general attitude of commercial roles in the organization towards Technology is to adopt it once it is observed and successfully used 36% and in 2nd place to wait for technologies to become mainstream and proven 34%.

Only 9% think their organization is a first adopter of Technology.

Key Learnings

Experience in the Industry still is one of the Most Valued skills for new staff. Even when respondents mentioned other skills as a priority for coming years (Flexibility, digital skills, etc.) in a logical answer, experience still is the main factor for a significant portion of them (76%)

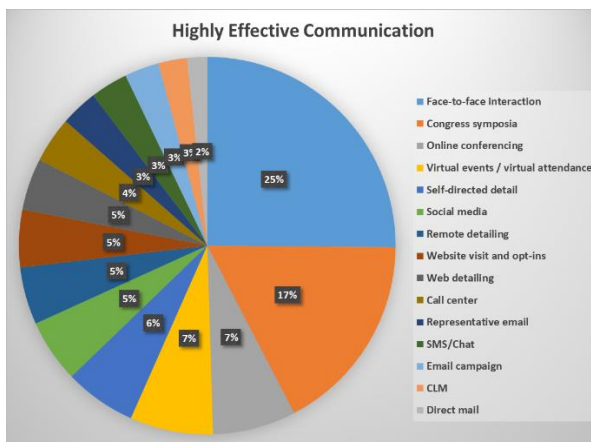
Digital and Sales are the primary hiring investments.

Coming from the pandemic years when the pharma business went booming in most cases, the lower sales made them focus on priorities like sales and digital channels to invest in and try to retake a good step in the coming months.

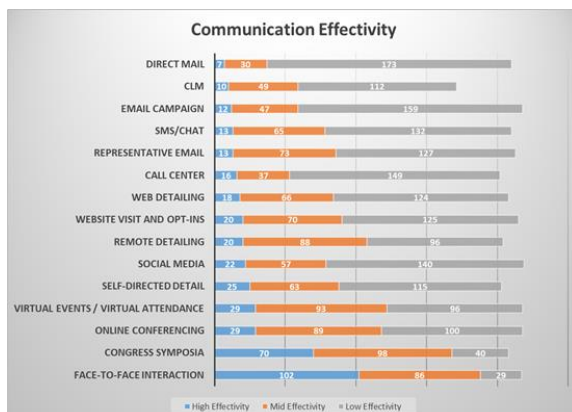
Future Of Interaction

Face-to-face interaction is considered by a majority (25%) as the most effective channel to meet the needs of HCPs

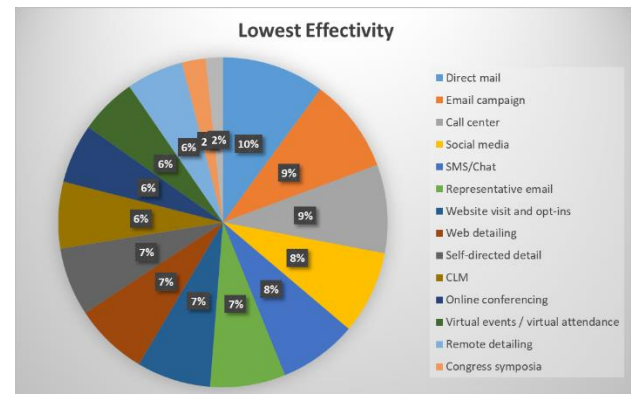
Congress Symposia is 2nd most voted with a 17%



Virtual Channels like Online Conferencing 7%, and Virtual events 7% are next.



The lowest effectiveness Channels were: Direct mail 10%, Email Campaigns 9%, Call centers 9%, Social media 8%, and SMS/Chat 8%.



Representative Mail 7%, Website visits, Opt-Ins 7%, Web detailing 7%, and Self-directed detail 7% were also mentioned almost at the same level.

Key Learning

Personal Interaction channels are the most valuable for companies

Targeted individual efforts are the preferred channels for most companies since the results are much better than those not so targeted as Direct Mail and Mailing, which many clients may perceive as Spam and unsolicited information.

Key Takeaway

Technology has gone a long way in recent years in all industries and sectors of society, and the pharmaceutical industry is no exception.

The pandemic forced companies to adapt to virtual technologies, and they embraced a lot of them. Still, now they are more cautious about the investments, focusing on what they tested and probed as successful for each one of the companies and their goals.

A lot of work, training, investment, and adaptation of corporate ideologies and procedures to new Technology must be achieved before reaching higher levels of digital transformation and success.

