DIGITAL LEADERSHIP

An interview with

Kristin Peck

EVP WW Business Development
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John Young

President and General Manager
Primary Care, Pfizer

Pfizer: Think Digital First

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> 66 *Digital has to be at the heart of what we do rather than just a means for business efficiency* 99

Capgemini Consulting: What is your perspective on the role of digital; do you see it as a way to improve business processes, a means of radically improving the way you operate or a combination of both?

John Young: The healthcare environment is going through massive change and companies in our industry are really being challenged, and certainly we are challenging ourselves, to think about our go-to-market models and channels to the customer. We need to better understand where we are adding value – and perhaps just as important, where we are not.

About 10% to 20% of the opportunity is about incrementally improving existing traditional channels, but the real opportunity lies in recognizing that the Internet and digital space are absolutely fundamental to our customers, who are using these channels to access information in very different ways than they have in the past.

We know that more than 80% of physicians in the US actively use the Internet, many of them during consultation, and many patients are using the Internet to seek medical information. It's clear that digital has to be at the heart of what we do rather than just a means for business efficiency. We can add tremendous value for customers by providing high-quality information in a truly user-friendly way. It's unquestionably an area where we want to demonstrate our leadership.

Kristin Peck: I agree that 80% to 90% of the opportunity is creating appropriate two-way dialogue with our customers. Our approach is "think digital first." So when we're creating content and providing information, we now ensure that it's accessible digitally. Most importantly though, is determining the best way to engage with a specific customer – whether it's a consumer, a healthcare provider, or a payer – in a two-way collaboration. If we can learn more from customers about what they care about most, we can develop better products, services and resources for them.

Capgemini Consulting: Healthcare is a pretty broad domain for digital advances with Health IT, electronic health records, alternative marketing channels, R&D, process improvement, etc. In that context, what are the areas you are focusing on? Is it the patient, the physician, the commercial side? What are your priorities?

Kristin Peck: Our first priority is building a digital hub that creates a common set of platforms or pipes. We can create real value from appropriately uniting the data from the platforms and finding common insights across stakeholders to deliver the greatest value to them. Our second priority is building much richer and deeper collaborations with external parties, with a focus on customers' needs. Finally, we are really focused on building analytical horse power to extract the most value from this data.

Once we do those things, we can develop better products, communicate more clearly about the products that we have, and better target resources and information for the patients who will benefit the most from them.

John Young: We have a strong focus on the customer as well. One of the features of our business and the disease areas in which we operate is that customers often wear more than one hat. An individual may be a physician in one realm and

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may also sit on a formulary committee (which sets utilization guidelines and reimbursement for our products), or have other roles in the healthcare space. As a result, we may offer different information to that customer depending on which hat the customer is wearing.

Further, to Kristin's point, customers also need to access to information in a simple and coherent way, irrespective of how we are organized. As an example, in Pain or Rheumatology Arthritis, our portfolio ranges from biological medicines through small molecules to products available over the counter. So while we need to make sure we have the organizational structure to support those particular medicines, that organizational structure can't be reflected in our digital face to customers: if you're a customer or patient, frankly you don't really care how we are organized. What you want is a simple, straightforward route to the information you need.

Capgemini Consulting: Tell us about your innovations – what have the highlights been?

John Young: We have so far only taken the first set of steps in an industry that we recognize is not necessarily known for being the greatest set of innovators beyond drug development.

In Europe the first thing we've done is enable our HCPs to have a conversation with a sales representative through a virtual channel. It's in some ways very simple conceptually, but for our industry in Europe that's pretty cutting-edge.

We also know our customers value the ability to get information on breaking topics to understand how to manage particular patient populations. This would traditionally happen in a forum like a medical congress or scientific meeting, but they may not want the high cost and time commitment of travel. So we've created webinars and similar ways for customers to access this information.

> **"** *In showing our digital face, we need to ensure that customers have a simple, straightforward route to information they need, rather than allowing our organizational structures to get in the way* **"**

Again, this isn't particularly radical but it enables us to use digital technology to expand our ability to meet customer needs.

It also varies by country. In a number of territories customers value the opportunity to get information by email, but this isn't true in every country. In Germany for example, our research tells us that customers are generally extremely keen to get information via email, but not in Italy. So we are adding more digital channels that reflect insights from our customers about what they want and their preferences on how to get it. On their own they're tactics, but we are actually trying to combine these additional channels to really transform our go-to-market model, recognizing that our customers want access to information on their terms rather than the channels we decide.

One thing that's been encouraging is that there is a significant segment of physicians – particularly in Europe – who have genuinely found value in our move to digital media. When you engage a customer through the channel of their

choice, and provide truly valuable information through that channel, we see that it works.

Many physicians have said they would prefer to have access to information or talk to a representative through digital channels versus a traditional office visit. Eighty percent of customers using these channels re-engage through them, and we have witnessed that the length and detail of the interaction increases by as much as three to four times the length of a traditional sales call. A digital sales team member in Italy with about 15 years experience said he had never in his career spent 45 minutes having a detailed product discussion about just one medicine. These may be soft metrics but they tell us a lot.

Kristin Peck: It's partly because you're speaking to them when it's most convenient for them and about what matters to them. The reality is that our customers do want to engage with us but at a time that works for them, and about products in which they're interested.

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Capgemini Consulting: In many countries in the world there are concerns about counterfeit and stolen drugs. Do you see opportunities in the digital space to enhance the safety and reliability of your products?

Kristin Peck: Pfizer has a team of experts who constantly assess new and existing technologies to identify counterfeit drugs and to make it more difficult for those who counterfeit our medicines to make convincing copies, and to help patients and healthcare providers distinguish authentic from counterfeit Pfizer medicines. Recognizing that there is no "catch-all" solution, Pfizer is working closely with the U.S. Food and Drug Administration (FDA) and other regulatory authorities to ensure that pharmaceutical companies have the resources they need to implement the anti-counterfeiting technologies that work most effectively for their products.

As part of these anti-counterfeit efforts, our global supply team has developed a serialization initiative that enables authentication at the pharmacy level. In addition, our Viagra team created an educational YouTube channel to increase awareness of counterfeit medicines, which was quite successful.

John Young: It's important to note that our ability to quickly scale pharmacy-level validation is dependent on the nature of the supply chain in individual countries. Technology has the potential to be transformative in this area, but we also need to have partners who are equally willing to come to the table.

Capgemini Consulting: From a management perspective what are the issues you've been addressing with regard to your digital initiatives?

John Young: We have to make sure we accelerate our learning process so the knowledge and capability of our employees aren't limiting the opportunities that exist with our customers.

> 66 *The foundation for our transformation is strong leadership and governance, collaboration, innovation, and efficiency* 99

One potentially effective option is to leverage partnerships with major players in this space in other industries, for example, by sending our best and brightest to these companies to do short-term learning "fellowships." Or conversely, to get technology companies to send their people to Pfizer, so we don't learn in a linear fashion but exponentially. We believe this is going to be absolutely at the center of our learning in this area.

John Young: Governance is a challenging aspect of our enterprise-wide digital effort. We have many different brands in many markets, so when it comes to digital opportunities, we can have 1000 flowers blooming – and that's not really scalable to any of our stakeholders who actually care.

First, brands have to think digital first. Second, common platforms need to be creased across brands. While a brand in a specific market may have the coolest app, a physician searching for specific information wants that information to be consistent and readily available, regardless of applications or any cool features.

So we're changing the governance so that relevant information is available digitally and common platforms are established. We believe it will be relatively simple when we set rules everyone has to follow.

The way to overcome this challenge is through the support of senior leadership. It's critical that all the leaders of the businesses support the governance of our digital efforts.

John Young: I agree that senior leader support is essential for governance, particularly in an organization that exists in a highly regulated and normally conservative industry.

Risk in the form of compliance issues, inefficiencies in internal processes, and confusion for the customer are more likely to occur when you have those "1,000 flowers" simultaneously blooming without governance. While we don't want to discourage innovation, and it's understandable that people are eager to be part of the wave and jump in with their own initiatives, as leaders we must help guide and prioritize.

For example, while we clearly need to respect and understand local laws, languages, and customs, this doesn't mean we should create 50 different versions of a website. In addition to being highly inefficient and difficult to govern, over-customization could actually make it more difficult for patients and customers to get the information they need from us.

Capgemini Consulting: So it's about focusing the brand teams on the core of marketing rather than the enablement?

John Young: Exactly. We want our brand teams to focus and decide upon the global platform that we'll use. We want this decision made internally and not by third parties in individual markets. So, while we're making an investment, at the same time we are recognizing savings in our third-party spend.

> 66 *Brands have to think digital first* 99

Capgemini Consulting: How do you manage the relationship between IT and business?

John Young: First, the challenge is to define who (our digital platform, business units and brand teams, and technology organizations) is responsible and accountable for what in a space that is by definition highly complex.

In Europe, we created a conceptual framework to work through business opportunities and challenges in the digital space, and understand the roles and skills of different parts of our organization, how we can work best together, and complement each other to accomplish our common goals.

This is what's behind Ian's [Read, Pfizer CEO] 'making digital successful' approach – we are all in it together, no one function or team is "leading" it, and IT is a critical partner.

Kristin Peck: And of course there's medical and legal. These and other functions are important internal stakeholders that help ensure our initiatives, including social media activities, meet our legal and regulatory obligations and benefit our customers. The answer is to look at what we want to do as a company, and then include input from our internal partners, such as medical, IT, and legal.

Capgemini Consulting: In a sense we've come around to asking how you manage the transformation itself.

John Young: The foundation for our transformation is really everything we've talked about – strong leadership and governance, collaboration, innovation, and efficiency.

And as we digitize our existing content and create global platforms, we're simultaneously looking for opportunities to add customer value we can't offer in

> *From a digital standpoint, we aspire to be collaborative, integrated, innovative and add value*

any other space. For example, by drawing on customer insights and finding ways to creatively leverage existing digital channels.

One of these existing channels is a highly-valued telephone-based medical information service for customers, but 80% of the questions that come into the service are common ones. Here's an opportunity to direct the common questions through a robust digital channel, and leave the complex questions for the telephone service where they can be more quickly and effectively answered.

Kristin Peck: We also worked through Epocrates. If customers had questions, they could just go through Epocrates and click on "Ask Manufacturer." This inquiry is then routed to Pfizer, and we can get an email back in 24 hours. If it's urgent, we can get someone online right away. If we can't answer the question, we get a technical expert online. And if necessary, we can get an expert to your site. The question is how soon people want an answer, and in 80-90% of cases 24 hours is fine.

Digital channels allow you to get the right answer to the right question at the right time, rather than whenever we happen to stop by. This type of example demonstrates the potential and the mindset.

Capgemini Consulting: Can you think of three or four keywords to describe your company from a digital standpoint in two years time?

Kristin Peck: The words that come to mind are: collaborative – what we aspire to is two-way communication; integrated – we're trying to build a network where the different parts can speak to each other; and innovative. We're not yet on the cutting edge, but we're hoping to get there and lead the industry transformation.

John Young: I agree with everything Kristin said but would add one additional word, and that is "valued." We really want to add significant value to the customer experience.

Kristin Peck

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President and General Manager Primary Care

Pfizer: Think Digital First

Pfizer is one of the world's leading pharmaceutical companies and has selected "digital" as a critical innovation platform for its business. Capgemini Consulting spoke to Kristin Peck, Executive VP of Worldwide Business Development and Innovation, and John Young, President and General Manager of Pfizer's Primary Care Business Unit.

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