Leveraging Multi-Channel and Closed Loop Marketing

Customer Centric Sales and Marketing for Health Care Professionals

The Life Sciences Sales and Marketing Conundrum:

Challenges continue to mount in the world of Life Sciences sales and marketing.

- Physicians have less time and willingness to see sales representatives, resulting in a decline in reach and frequency of face-to-face selling time.

- Increased regulatory environment tightening is focused on health care professionals' (HCPs) aggregate spend tracking and other compliance areas.

- Cost pressures are forcing Life Sciences companies to reassess sales and marketing tactics and to focus on efficiency and effectiveness.

However, HCPs still need ready access to a tremendous amount of diverse information to maintain their expertise. For example:

- HCPs are struggling to balance patient, practice and learning needs.

- Life Sciences companies are receiving increased requests to develop differentiated and personalized information delivery.

- HCPs are increasingly using internet-based information sources as part of their regular practice activities and continuous learning.
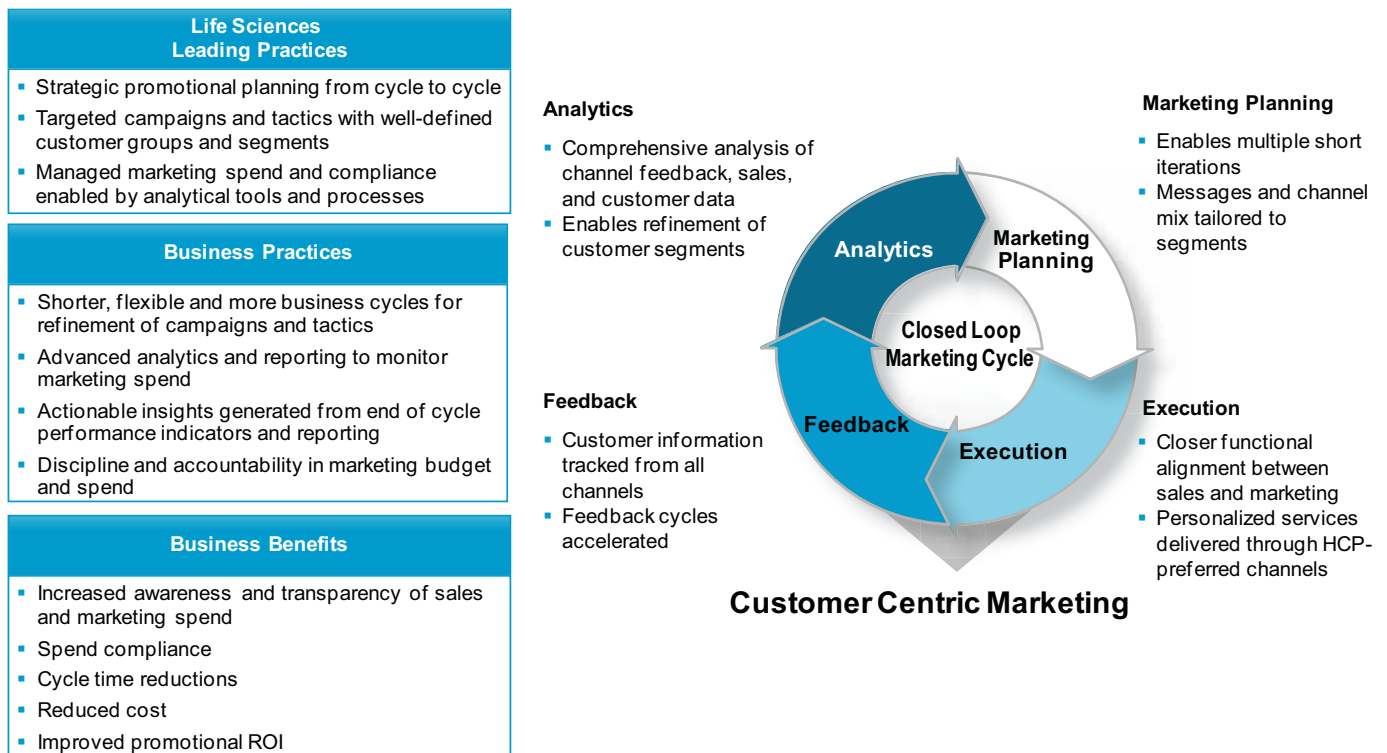
As a result, Life Sciences companies are opting to supplement the traditional sales force face-to-face model with a multi-channel integrated campaign approach. In doing so, they are mixing traditional channels such as call center, web portal and speaker events with new channels such as web-based sampling, web publishers and social media.

Despite the diversity this approach implies, there are common denominators:

1. The promotional model is moving from a push to a pull model:
   – Enabling feedback from customers on channel/content preferences and activity
   – Driving interactions with customers and learning from these interactions
2. Providing revised value-added services based on customer interaction feedback

Figure 1. Closed Loop Marketing Overview

Life Sciences Leading Practices
- Strategic promotional planning from cycle to cycle
- Targeted campaigns and tactics with well-defined customer groups and segments
- Managed marketing spend and compliance enabled by analytical tools and processes

Business Practices
- Shorter, flexible and more business cycles for refinement of campaigns and tactics
- Advanced analytics and reporting to monitor marketing spend
- Actionable insights generated from end of cycle performance indicators and reporting
- Discipline and accountability in marketing budget and spend

Business Benefits
- Increased awareness and transparency of sales and marketing spend
- Spend compliance
- Cycle time reductions
- Reduced cost
- Improved promotional ROI

Analytics
- Comprehensive analysis of channel feedback, sales, and customer data
- Enables refinement of customer segments

Feedback
- Customer information tracked from all channels
- Feedback cycles accelerated

Marketing Planning
- Enables multiple short iterations
- Messages and channel mix tailored to segments

Execution
- Closer functional alignment between sales and marketing
- Personalized services delivered through HCP-preferred channels

Analytics · Marketing Planning · Execution · Feedback

Closed Loop Marketing Cycle

Customer Centric Marketing

3. Creating a robust analytics engine that drives promotional decision making

This integrated Multi-Channel portfolio of services needs to be coupled with Closed Loop Marketing to deliver a true customer and HCP personalized experience based on needs and preferences.

How Do You Get There?

In a way, Closed Loop Marketing is not a new concept; its origins stem from manufacturing process constructs such as TQM's Plan, Act, Measure aspects. However, based on the experience of many Life Science companies, the path to building Multi-Channel and Closed Lo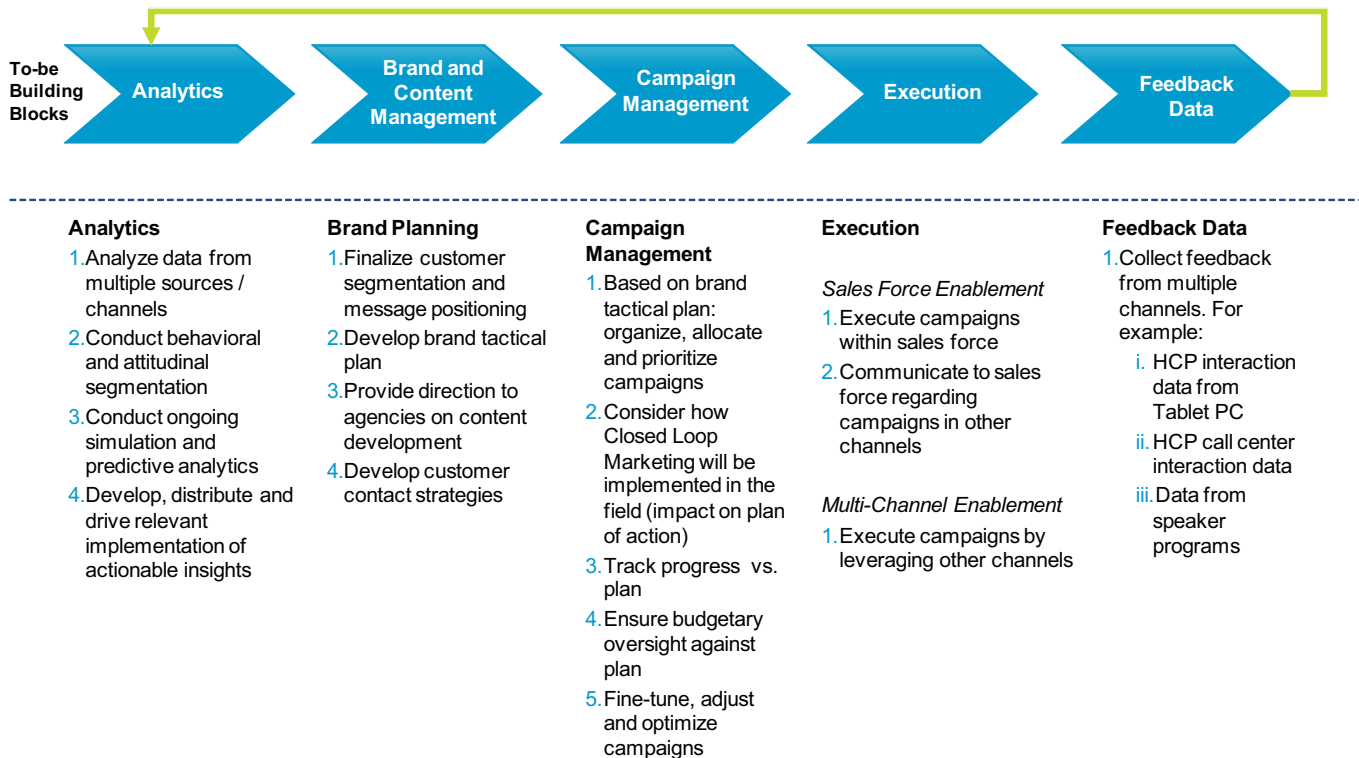op Marketing requires careful, comprehensive planning, focused project management and implementation effort, and organizational investment. As we will see later, the latter manifests itself not only in resource investment but also organizational change management.

That said, there are several basic building blocks that make up the "central nervous system" of Multi-Channel and Closed Loop Marketing. These building blocks are illustrated in Figure 2 below.

These building blocks need to be enabled by designing and implementing a techno-functional architecture that integrates HCP/customer interfaces, applications, decisions and operations support, reporting, and analytic insights with technology infrastructure.

Figure 2 . Closed Loop Marketing Building Blocks

To-be Building Blocks → **Analytics** → **Brand and Content Management** → **Campaign Management** → **Execution** → **Feedback Data**

Analytics
1. Analyze data from multiple sources / channels
2. Conduct behavioral and attitudinal segmentation
3. Conduct ongoing simulation and predictive analytics
4. Develop, distribute and drive relevant implementation of actionable insights

Brand Planning
1. Finalize customer segmentation and message positioning
2. Develop brand tactical plan
3. Provide direction to agencies on content development
4. Develop customer contact strategies

Campaign Management
1. Based on brand tactical plan: organize, allocate and prioritize campaigns
2. Consider how Closed Loop Marketing will be implemented in the field (impact on plan of action)
3. Track progress vs. plan
4. Ensure budgetary oversight against plan
5. Fine-tune, adjust and optimize campaigns

Execution

Sales Force Enablement
1. Execute campaigns within sales force
2. Communicate to sales force regarding campaigns in other channels

Multi-Channel Enablement
1. Execute campaigns by leveraging other channels

Feedback Data
1. Collect feedback from multiple channels. For example:
   i. HCP interaction data from Tablet PC
   ii. HCP call center interaction data
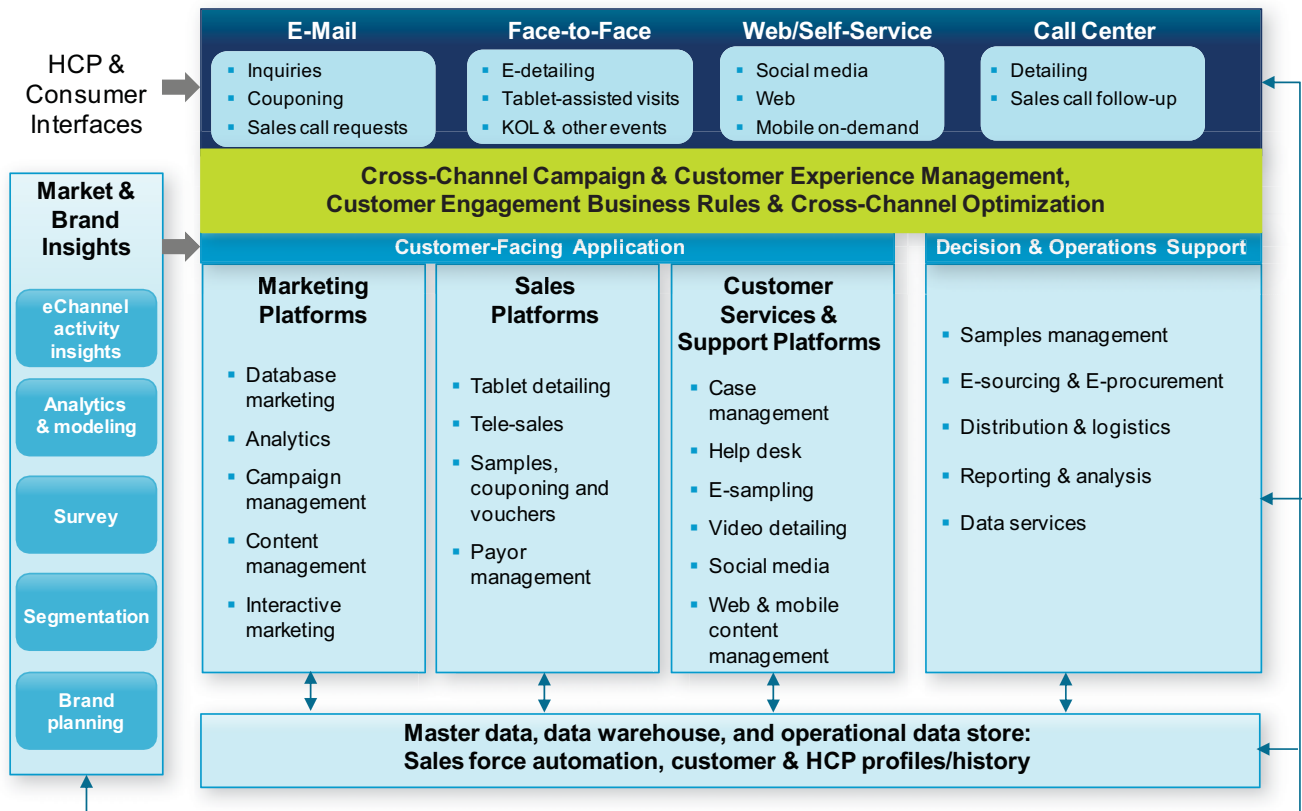   iii. Data from speaker programs

Technology aspects of Multi-Channel Closed Loop Marketing include several dimensions — all of which need to be managed in a step-wise and holistic, integrated manner. These technology dimensions include:

- Customer-facing applications (tablet detailing, contact center, web applications, social media applications, etc.)

- Processes and technology to manage the flow of data from central sales and marketing channels (HCP/customer targeting and content out to the channels; activity tracking back)

- Content management processes and systems to manage, create, review, measure and optimize Multi-Channel messaging

- Data repositories for HCP transactional activity and as part of enterprise data warehouse

- Customer master data management (including customer & HCP profiles/history and change governance).

- Integration with other key systems (including: SFA, CRM, ERP, HCP aggregate spend and others).

Moreover, companies that have been successful in achieving Multi-Channel Closed Loop Marketing have succeeded in coupling techno-functional architecture with the vision of how the people, process and technology aspects of the business will change. In doing so, they have thought through how to achieve a *consistent* customer experience

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Figure 3. Multi-Channel & Closed Loop Marketing Conceptual Architecture

HCP & Consumer Interfaces

E-Mail
- Inquiries
- Couponing
- Sales call requests

Face-to-Face
- E-detailing
- Tablet-assisted visits
- KOL & other events

Web/Self-Service
- Social media
- Web
- Mobile on-demand

Call Center
- Detailing
- Sales call follow-up

Cross-Channel Campaign & Customer Experience Management, Customer Engagement Business Rules & Cross-Channel Optimization

Market & Brand Insights
- eChannel activity insights
- Analytics & modeling
- Survey
- Segmentation
- Brand planning

Customer-Facing Application

Marketing Platforms
- Database marketing
- Analytics
- Campaign management
- Content management
- Interactive marketing

Sales Platforms
- Tablet detailing
- Tele-sales
- Samples, couponing and vouchers
- Payor management

Customer Services & Support Platforms
- Case management
- Help desk
- E-sampling
- Video detailing
- Social media
- Web & mobile content management

Decision & Operations Support
- Samples management
- E-sourcing & E-procurement
- Distribution & logistics
- Reporting & analysis
- Data services

Master data, data warehouse, and operational data store: Sales force automation, customer & HCP profiles/history

for their go-to-market approach *across* channels. By doing this, they ensure that when a HCP moves from channel A to channel B, they will have a similarly branded experience. This has proven to be a critical success factor in enhancing brand equity.

Effective Use of Content in Multi-Channel Closed Loop Marketing

Life Sciences companies are utilizing content across channels in their Multi-Channel Closed Loop Marketing initiatives in an effort to achieve the efficiency and value of the "write once, reuse multiple times" vision. But to truly achieve this efficiency, the content management process still needs to address medical, legal and regulatory (MLR) review in a similar manner: "review and approve once, reuse multiple times." This has been easier said than done, with cultural and system MLR considerations being slow to change. In many cases, the same content is being reviewed in MLR for a printed patient brochure, and then going through another MLR review for the brand website, and then another MLR review for a tablet detailing presentation. With the increasing number of marketing channels combined with the time and resource demands that MLR requires, things can get costly if the content management process does not streamline MLR so that content is approved for multiple purposes.

Version Control
With content being shared across multiple channels, it is important to ensure that any content change is correctly applied to each of the channels utilizing it. That is where a well-thought-out content management system can add value by:

- Providing content accessibility to the content owners for the various channels

- Accepting a variety of content file types that are used to develop the content

- Storing content tagging and metadata information

- Documenting which channels are utilizing each piece of content

- Tracking versions, notifying content users of updates, and verifying that the updates are applied

Content Tagging is Critical
Robust content tagging and metadata are necessary to facilitate the effective analyses of content use. A standardized methodology is needed in the content management process that allows content creators to tag content in a way that is meaningful and consistent. This enables those who analyze CLM reporting data to link HCP activities with tagged content. This information should be stored and approved via the content management system. This is critical — if the content subsets are not properly tagged, their use cannot be effectively tracked.

Closed Loop Marketing Maturity Continuum – a Roadmap for Success

Many companies, including those on the "bleeding edge" of Closed Loop Marketing, have had success achieving CLM *within* channels, but difficulty achieving CLM *across* channels. In many ways, this experience illustrates the importance of thinking through the long term vision for Multi-Channel Closed Loop Marketing. Having a

Figure 4. CLM Maturity Continuum

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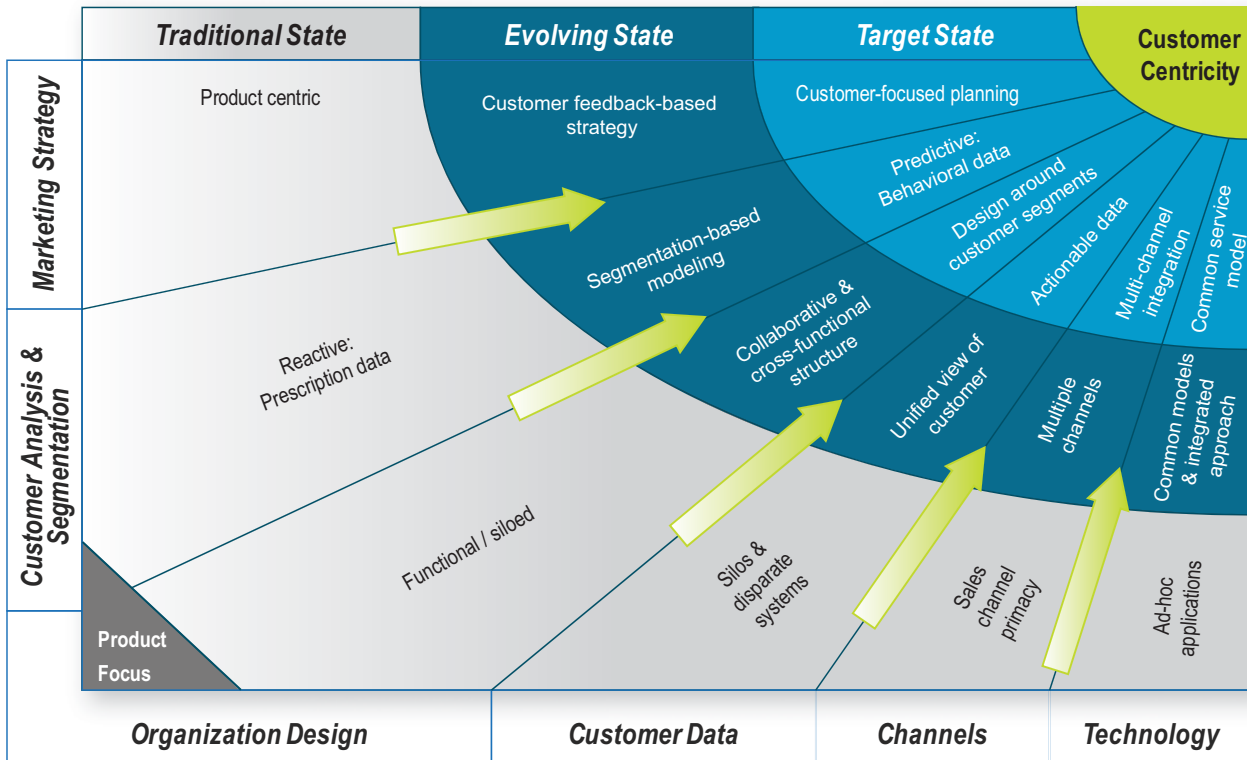
vision helps establish a "step-wise" development approach versus an iterative, silo approach. While the latter may yield quicker gains within each channel, a siloed approach makes it more difficult to achieve the holistic benefits of Multi-Channel Closed Loop Marketing.

Also, it is equally important to assess your current state of CLM maturity. Capgemini often finds companies in the "traditional" state of the CLM maturity continuum (Figure 4.), struggling to "band-aid" their commercial model and/or companies that have conducted some pilots in the "evolving" band of maturity. The current state assessment adds value not only by identifying issues that need to be remedied but also assets and strengths that should be preserved and nurtured.

The journey to realizing the Multi-Channel Closed Loop Marketing vision

is rarely a project. Multi-Channel Closed Loop Marketing is a strategic initiative, a program made up of a number of projects, all inter-dependent and most developing at different speeds and with different sponsorships. Viewed that way, it is a business transformation map, highlighted with milestones of significant tactical changes — and accompanying people, process and technology changes, with a roadmap describing how your go-to-market strategy and tactics will change over time.

A strong, empowered, centralized Multi-Channel Closed Loop Marketing Project Management Office (PMO) is needed to provide the unifying program planning and governance necessary to ensure the program is moving effectively toward its vision. In fact, the maturity model illustrated in Figure 4 also serves as an implementation roadmap, highlighting

the right time for investments to be made as well as the cross dependencies between initiatives.

Analytics Development: You Don't Have to Eat the Elephant All at Once

One of the common denominators to Multi-Channel Closed Loop Marketing company experiences is that they are going to receive new data — *lots* of new data. In fact, the amount of new data has been likened to a series of 35-foot waves crashing toward the shore, with the challenge to sort the water in these waves into neat data categories and reports! As if that weren't challenging enough, companies have found that this data requires significant filtering before it can be effective.

Compounding this challenge is the notion many have developed that you cannot achieve value from Closed Loop Marketing until your company can behave toward customers with the process, practices and analytical sophistication of a company like Amazon.com. In fact, many have been recipients of Amazon.com's suggestions such as "since you purchased this, we thought you would like…" or "based on your past purchase, we thought you would like…" To make these suggestions, Amazon.com uses a mathematical engine using a technique known as collaborative filtering that taps into a huge database about you and many others.

The good news is that one of CLM's guiding principles is to provide *incremental* reporting and analytic capabilities. We'll discuss reporting and analytics in the next sections.

Companies who have been successful at managing the "data waves" that come with Multi-Channel Closed Loop Marketing have embraced an important principle — focus on data that is actionable. For example, a significant part of the value of Closed Loop Marketing is comparing results vs. expectations. Simply put, what was the planned result for a given marketing tactic vs. what was actually accomplished? CLM helps not only measure this difference but also identifies key learnings that can be incorporated into future marketing actions.

This data is also available at a very granular level. For example, it is common to receive specific tracking information about the channel activity of Dr. Robert Johnson, an Oncologist located at 411 Main Street, Rockport, Mass. This level of granularity provides the ability to build a mosaic of HCP activity patterns, which can produce very powerful learning for how to market to Dr. Johnson and those like him.

Figure 5 illustrates "bands" of reporting maturity development from single-

Figure 5. One of CLM's Guiding Principles Is to Provide Business Value by Delivering Incremental Reporting Capabilities.
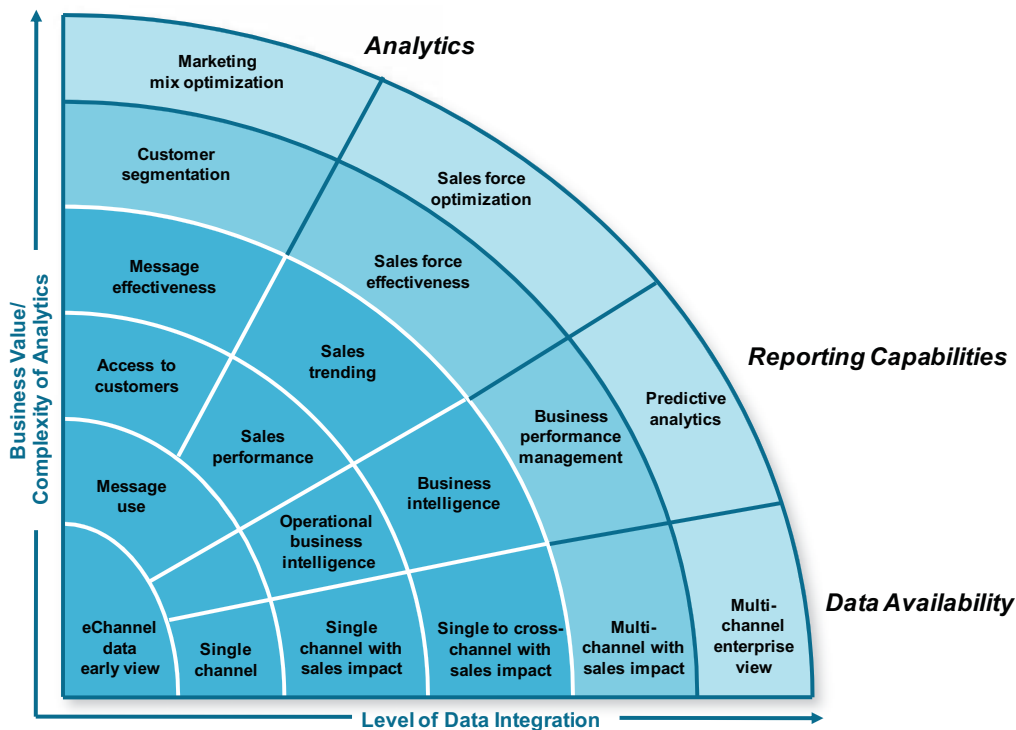
channel reporting to cross-channel reporting and, finally, to channel mix optimization. The important point is that *each* "maturity band" can yield substantial value to the organization.

Reporting development usually precedes analytic development a bit. For example, it is a solid, leading practice to begin by establishing operational/activity (who, what, when, where) reporting. This type of reporting helps to identify trends and patterns which spark questions, often causal in nature that starts the analytic process in motion. The answers to these questions result in more detailed and insightful reports, which, in turn, result in more questions. This Closed Loop "business intelligence spiral" fuels a learning cycle that enables continuous improvement of marketing programs.

The Closed Loop analytic process of answering increasingly sophisticated questions starts with basic business analysis tools and requires more

sophisticated tools used at higher maturity levels, which is illustrated in Figure 6 below.

Is Multi-Channel Closed Loop Marketing Worth It?

Consider three data views about three separate channels:

1. 70% of smart phone/PDA users say it is essential to professional practice, and 34% use it during patient consultations. Physicians have indicated they prefer to use a PDA for prescription dosage, formulary status, and drug reference compared to a computer.

2. 75% of physicians show interest in ordering samples online.

3. Three, compelling tablet-detailing case studies are provided in Figure 7.

Figure 6. **Closed Loop Marketing's Reporting Enables Progressive Levels of Analytics Maturity Development.**
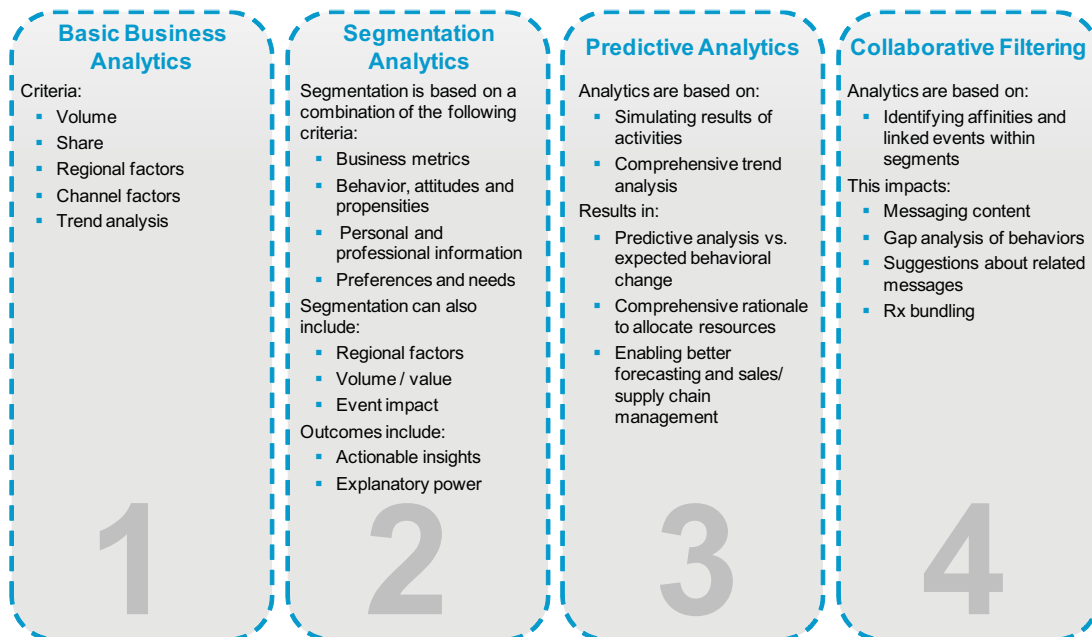

Basic Business Analytics

Criteria:
- Volume
- Share
- Regional factors
- Channel factors
- Trend analysis

1

Segmentation Analytics

Segmentation is based on a combination of the following criteria:
- Business metrics
- Behavior, attitudes and propensities
- Personal and professional information
- Preferences and needs

Segmentation can also include:
- Regional factors
- Volume / value
- Event impact

Outcomes include:
- Actionable insights
- Explanatory power

2

Predictive Analytics

Analytics are based on:
- Simulating results of activities
- Comprehensive trend analysis

Results in:
- Predictive analysis vs. expected behavioral change
- Comprehensive rationale to allocate resources
- Enabling better forecasting and sales/ supply chain management

3

Collaborative Filtering

Analytics are based on:
- Identifying affinities and linked events within segments

This impacts:
- Messaging content
- Gap analysis of behaviors
- Suggestions about related messages
- Rx bundling

4

Figure 7. Key Benefits from Using Tablet Detailing: Three Pharma Case Studies

Pharma 1

- 75% increase in commitment to brand
- Over 2/3 of physicians found sales representatives to be more credible and calls to be more impactful when a tablet PC was used
- 63% of physicians indicated a preference for e-detailing

Pharma 2

- Sales representatives reported more face-to-face time, improved message recall and improved clarity with the physician as a result of using the tablet PC

Pharma 3

- Better access to sales-averse physicians
- 65% of physicians felt tablet-equipped sales representatives generated higher-quality interactions
- 62% of physicians found the overall tablet PC call experience to be more valuable than paper

The underlying reason for these positive results is that these new approaches enable the use of richer, more compelling content that contains rich graphics, more data, videos of key opinion leader and patient case studies and more. The bottom line is that Multi-Channel and Closed Loop Marketing offers venues to send more compelling content and messaging in such a way as to help increase customer reach, brand awareness and brand equity with efficiency and effectiveness.
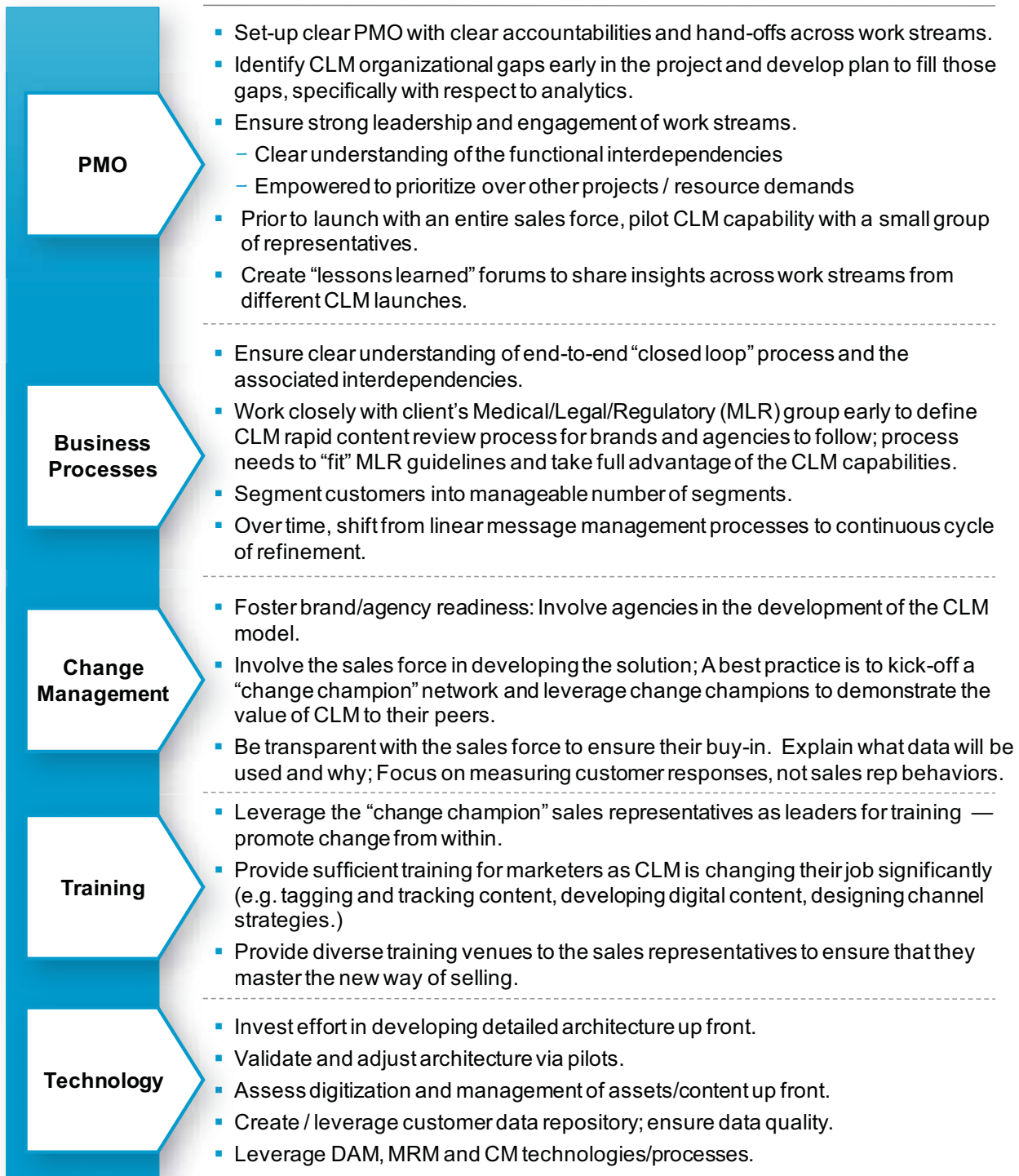
But that's not to say these complex systems are without pitfalls. In fact, Capgemini has identified a number of key Multi-Channel Closed Loop Marketing issues and accompanying learnings, which are provided in Figure 8 featured on the next page.

Finally, there is another key learning from the experience many companies have had with tablet detailing. This learning actually transcends that particular channel and applies to all channels in the Multi-Channel ecosystem; namely user/stakeholder adoption is one of the key factors for success.

For example, experience has shown that sales representatives have a "Big-Brother fear" of alternate channels. Experience indicates that sales representatives often fear that data/systems will be used to micro-manage them, critique them or to justify reducing headcount. Many companies have painful experiences of sales representatives rejecting (or gerrymandering) the data and systems because of these beliefs.

However, other companies have successfully managed this risk by being transparent with sales representatives about why and how this data will be used as well as telling them how the data will not be used. These companies have used comprehensive Organizational Change Management programs, including communication and training, to mitigate these risks. Some companies have gone so far as to "turn off" certain data fields to demonstrate to sales representatives their commitment to success. These companies have experienced stunning success, with high adoption rates and measureable upticks in market share.

Figure 8. Multi-Channel Closed Loop Marketing: Lessons Learned

PMO

- Set-up clear PMO with clear accountabilities and hand-offs across work streams.
- Identify CLM organizational gaps early in the project and develop plan to fill those gaps, specifically with respect to analytics.
- Ensure strong leadership and engagement of work streams.
  - Clear understanding of the functional interdependencies
  - Empowered to prioritize over other projects / resource demands
- Prior to launch with an entire sales force, pilot CLM capability with a small group of representatives.
- Create "lessons learned" forums to share insights across work streams from different CLM launches.

Business Processes

- Ensure clear understanding of end-to-end "closed loop" process and the associated interdependencies.
- Work closely with client's Medical/Legal/Regulatory (MLR) group early to define CLM rapid content review process for brands and agencies to follow; process needs to "fit" MLR guidelines and take full advantage of the CLM capabilities.
- Segment customers into manageable number of segments.
- Over time, shift from linear message management processes to continuous cycle of refinement.

Change Management

- Foster brand/agency readiness: Involve agencies in the development of the CLM model.
- Involve the sales force in developing the solution; A best practice is to kick-off a "change champion" network and leverage change champions to demonstrate the value of CLM to their peers.
- Be transparent with the sales force to ensure their buy-in. Explain what data will be used and why; Focus on measuring customer responses, not sales rep behaviors.

Training

- Leverage the "change champion" sales representatives as leaders for training — promote change from within.
- Provide sufficient training for marketers as CLM is changing their job significantly (e.g. tagging and tracking content, developing digital content, designing channel strategies.)
- Provide diverse training venues to the sales representatives to ensure that they master the new way of selling.

Technology

- Invest effort in developing detailed architecture up front.
- Validate and adjust architecture via pilots.
- Assess digitization and management of assets/content up front.
- Create / leverage customer data repository; ensure data quality.
- Leverage DAM, MRM and CM technologies/processes.

Summary:

Based on research and surveys, it seems that tablet detailing has become "table stakes" with HCPs. That is, using digital content for detailing has become an expectation for HCPs. Companies who use paper detailing are beginning to have an inherent disadvantage.

Given the reliance HCPs are developing on just-in-time information, whether obtained on the internet or by phone, Multi-Channel services are becoming an HCP's expectation, as well. Life Sciences companies that establish well organized, effective, integrated Multi-Channel Closed Loop Marketing systems can achieve significant marketplace differentiation.

Multi-Channel Closed Loop Marketing success requires comprehensive visioning; with stepwise implementation, guided by a roadmap and integrated project plan.

1. Develop an assessment of your current closed loop marketing situation

2. Form your Multi-Channel vision *with* key stakeholders

3. Put together an implementation roadmap and a centralized PMO to manage it

4. Build a techno-functional architecture to support the roadmap

5. Invest in Organizational Change Management to instill solid user/stakeholder adoption

6. Develop data management processes that provide organizational confidence and exercise data/reporting transparency to solidify user/stakeholder buy in

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For more information, please contact:

Shakthi Kumar
VP, Life Sciences Leader
North America
+1 973 870 8473
shakthi.kumar@capgemini.com

Barry O'Brien
Principal, Life Sciences
North America
+1 732 995 4079
barry.o-brien@capgemini.com

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