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# Beyond the Pill

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Moving from products to value-added services  
in the pharmaceutical industry

Master's Thesis

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## **Abstract**

Background: The pharmaceutical industry is experiencing a period of far-reaching changes. Increased competitive pressures, patent expiries and payers' outcome focus pose high challenges to the industry. Offering value-added services to a product as a measure to improve health outcomes and to achieve competitive advantage is currently being discussed and implemented to face these challenges.

Objective: This paper's aim is to analyse to what extent service strategies "beyond the pill" are and will be integrated into the pharmaceutical business model, and to assess if industry really is moving from a product-only focus to value-added services. The scope of the study is global and concentrates on manufacturing companies of branded pharmaceuticals.

Method: The research covers a literature research on strategies "beyond the pill" covering potentials for value-added services, the current service landscape and challenges to service implementation. The literature research is complemented by a survey on 56 experts working for the pharmaceutical industry and their perceptions on the current situation of service strategies within the industry.

Results: Both the literature research and the survey revealed that service strategies will gain importance. However, there are still multiple challenges to overcome. Legal restrictions, difficulties in measuring return on investments, conservative business philosophies and mistrust towards the pharmaceutical industry are factors slowing down the advance of service strategies.

Conclusion: Effective service strategies can be of benefit for pharmaceutical companies and their stakeholders by exploiting unused potentials in health care. However, there are still some changes needed - within the industry as well as within its stakeholders- to achieve a service friendly environment with good incentives for innovative and high quality services.

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## List of Abbreviations

CDC	Centers for Disease Control and Prevention
DAWN™	Diabetes Attitudes, Wishes and Needs
DRG	Diagnosis Related Group
EFPIA	European Federation of Pharmaceutical Industries and Associations
e.g.	Exempli gratia / for example
eHealth	Electronic Health
G-BA	Gemeinsamer Bundesausschuss / Federal Joint Committee
GHX	Global Healthcare Exchange, LLC
HCP	Health Care Provider
HEFT	Heart of England NHS Foundation Trust
IT	Information Technology
mHealth	Mobile Health
NHS	National Health Service
NICE	National Institute for Health and Care Excellence
Pharma	Pharmaceutical Industry
PhRMA	Pharmaceutical Research and Manufacturers of America
PPACA	Patient Protection and Affordable Care Act
PSR	Pharmaceutical Sales Representative
RAND Cooperation	Research and Development Cooperation
ROI	Return on Investment
UK	United Kingdom
WBMM	Ward Based Medicines Management
WHO	World Health Organization

## 1 Introduction

The pharmaceutical industry is experiencing a period of far reaching changes. Stricter cost containment policies by governments and health insurances and a growing number of well-informed patients, have an impact on a pharmaceutical company's relationship with its customers. Customer focus has long been a guiding principle within the pharmaceutical industry. It was, however, usually limited to marketing products with a strong customer orientation. The corporate strategy remained basically product-centred (Baines 2010, iii).

Due to a combination of factors (high margins, patent protections, regulatory constraints, and the lack of direct contact with end consumers) pharmaceutical companies have tended to retain their strong product focus. However, increased competitive pressures, patent expiries and payers' outcome focus pose challenges. Integrating value-added services as a measure of competitive advantage and to improve health outcomes is currently being discussed as a measure to face these challenges. Still, there is only few literature and research available in this field.

The aim of this thesis is to assess how service strategies "beyond the pill" – defined as services to a product that address stakeholders' needs along the patient pathway– are perceived by the pharmaceutical industry and how they are currently being integrated. A literature research and a survey within the industry are used to create explorative insights into this field.

The thesis is structured as follows: First a detailed description of this research papers objective and approach will be given. Following this, in chapter 3, an examination of service strategies in the pharmaceutical industry will be given, explaining how they distinguish themselves and how they have gained importance in the past years. This chapter will also provide the definition of strategies "beyond the pill", that will be used in the further course of the thesis.

Chapter 4 will give an overview on how value-added services provided by pharmaceutical companies can yield benefits to stakeholders by meeting unmet needs. Chosen stakeholders' needs will be examined and fields of improvement in health care, which can be targeted by service strategies, will be shown.

Chapter 5 will then provide an overview on what kind of services are currently being offered by the industry. It will examine the current service landscape and how new technologies play an important role in service development.

## 1 Introduction

Following this, in chapter 6, two major challenges to the implementation of service strategies “beyond the pill” - legal restrictions and the difficulty of measuring return on investment - will be presented.

The literature research will then be complemented with findings of an explorative study. Chapter 7 will describe the methodology of the survey, conducted for this thesis. Following this, an extensive presentation of the survey’s results will be given. Subsequently to this, in chapter 9, the findings of the literature research and the empirical findings will be discussed and recommendations for action will be given for pharmaceutical companies as well as for governments and payers.

## **2 Objective and Approach**

This paper's aim is to analyse to what extent service strategies "beyond the pill" are, or will be, integrated into the pharmaceutical business model, and to assess if the industry really is moving from a product-only focus to value-added services. The scope of the study is global and concentrates on manufacturing companies of branded ethical pharmaceuticals. The research covers a literature research on the origins of strategies "beyond the pill" and their potentials, stakeholders' perceptions on value-added services, the current service landscape and challenges in implementing services. Literature was searched for using the search engines Google, Google Scholar and PubMed. As the topic is very business orientated, most studies identified were conducted by private enterprises (e.g. consultancies). The literature research will be complemented by a survey on 56 experts working in pharmaceutical industry and their view on the current situation of strategies "beyond the pill" within the industry. Subsequently, a comparison of the desk research with the results of the survey will be performed with the aim to identify peculiarities and derive trends and recommendations for action.

### **3 Value-added Services in the Pharmaceutical Industry**

This chapter shall give an introduction for service strategies „beyond the pill“, explain how they have developed, how they are defined in this paper and how they distinguish themselves from other kinds of services.

#### **3.1 Moving from products to value-added services**

Economic and political conditions for pharmaceutical companies have changed significantly over the past decades. With the development of new drugs enormous progress in the treatment of diseases has been achieved. Pharmaceutical expenditures, however, have risen constantly and have now become a major item in the total health care expenditures. Factors like demographic change play a major role. With increasing life expectancy more and more elderly people are there to require medical treatment, with less people paying into the health care system (Köbele 2007, 85). In addition, in recent years, pharmaceutical research and development has slowed and tended to be more specified on markets affecting fewer patients or to meet individual needs. This often involves the development of more complex and more expensive drugs (House of Parliament 2010, 1). Since national health authorities work with limited revenues, pharmaceutical policies aiming for cost containment have been introduced, giving pharmaceutical companies less scope for price setting and a strong incentive to prove good value for the payers' money. Economic downturns and declined market growths have further been affecting pharmaceutical companies' revenues and put the payers focus on cost containment (Baines 2010, 8).

These developments slowly reflect in changes in the pharmaceutical business models. The classical business model until now has been product-orientated. It has manifested itself in the 80s with a strong focus on blockbuster drugs. However, with the high level maturity of the pharmaceutical market that has been reached by now, there has been a decline in the discovery of new chemical entities causing fewer blockbuster drugs making it into the market (Baines 2010, iii). Furthermore the competitive environment has intensified, with more and more generics and biosimilars coming on the market leading to a low price levels on the off-patent market. New strategies to diversify from competitors were thus needed (ibid.).

To face these challenges, pharmaceutical companies strived for new ways to secure their market positions. For a long time these were defensive cost-reductions or organisational restructures. To face the increasing competition of generics, me-too drugs

were brought on the markets, drugs with little to none added benefit to existing drugs, with the aim to prolong patented market shares. Some companies have further tended to switch eligible products from the prescription market to the fast growing over-the-counter market. Some expanded their core activities into neighbouring fields as cosmetics, natural remedies or dietetics. These made sales in pharmacies, drug stores or health food stores possible. These market segments however included strong competitors, who already were well integrated in these fields (e.g. Nestlé). As these strategies showed to offer limited growth potentials, new innovative ways have been developed, especially while facing the feared patent cliff, a period of three years ending in 2013, with an unusually high density of patent expiration of top selling drugs (Mullin 2012; Bletzer 1998, 12).

In 2008 Michael Lonsert and Fred Harms (167) predicted a switch from the classical product-orientated business model of pharmaceutical companies to a new market-orientated one within the next ten to twenty years. Companies thus would have to be more integrated into their social surroundings. To achieve this, stakeholders needs would need to be put more into focus and experts of research and development and product marketing would need to work closer together throughout the whole product life cycle. Lonsert and Harms positions reflect a change in paradigm that can also be seen among other professionals. Especially the focus on the end-consumers -the patients- is slowly gaining importance as they tend to get better informed through new technologies. This has been perceived and answered by the industry by putting more emphasis to the possibilities of new media. E-Health services like telemedicine, websites or apps for mobile phones were implemented to gain direct contact to patients (Boehringer Ingelheim 2012; McKinsey 2012, 85 ff.).

The new strategy of market-orientated services goes beyond merely promoting a new pill, but does also support health outcomes and treatment efficacy by offering solutions to unmet stakeholders needs. The RAND Cooperation, an United States non-profit think tank, reflected the current paradigm change in an occasional paper, coming to the conclusion that *"...although effective medicines for most chronic conditions exist, access and adherence to medicines are far from what would be needed to achieve full treatment efficacy. Therefore, value can be created by getting and keeping more patients on their drugs, and innovative business models would allow pharmaceutical companies to capture that value"* (Mattke / Klautzer/ Mengistu 2012, 1).

A customer centric service strategy can further tackle fields like disease management, monitoring, drug-test combinations or data transparency with the aim to improve

health outcomes, customer loyalty as well as to achieve differentiation from other competitors. An example for this new business model being put into practice can be seen in Novartis. Chief Executive Officer Joseph Jimenez described the companies' paradigm shift in an interview with the Wall Street Journal: *"I [...] started to shift our business away from a transactional model that was focused on physically selling the drugs to delivering an outcome-based approach to add value beyond just the pill. I really believe that in the future, companies like Novartis are going to be paid on patient outcomes as opposed to selling the pill"* (Falconi 2013). This outcome-oriented implementation of value-added services has now become a frequently discussed topic and has established itself under the catchphrase "value beyond the pill" (with over 7.000 results on the web search engine *Google.com*).

#### **3.2 Definition of value-added services**

When talking about value-added services it is important to understand the difference between just services and value-added services. *Services* are offered by a wide range of providers. These are for example service companies specialized in transportation, telecommunication or financial services, whose core business is not selling goods but *"deeds, processes or performances"* (s. Zeithaml / Bitner 2003, 3).

*Value-added services* can be provided by any kind of company, including manufactures or service companies. They are services provided in *"support of a companies' core product"* (ibid, 4). This may include the offer to answer customers' questions or to help with billing issues. They are typically free of charge with the aim to increase a products value or to improve customer relationships.

#### **3.3 Value-added services in the pharmaceutical industry**

Value-added services are implemented with the aim to reach different goals. In the pharmaceutical industry they are offered to improve health outcomes, to differentiate on a competitive market or to enhance customer relationship and customer loyalty. The understanding of a service strategy "beyond the pill" and its aim, however, differs in their focus. Some describe it as *"tactics that expand the value proposition of the product beyond the pill"* (IMS 2009) others as being a way of *"creating medical value through technology enablement"* (McKinsey& Company 2012, 85 ff.) or being a way to *"improve patient outcomes and, consequently, save money"* (Kober 2008, 43). What they all have in common is the understanding that it is a new way of expanding the

### 3 Value-added Services in the Pharmaceutical Industry

value of a product to achieve better health and / or financial outcomes. Based on its origins described in chapter 2.1 strategies “beyond the pill” are a holistic description of market- and outcome-orientated services, meaning services tailored for stakeholders’ needs, with the purpose to improve the value of a drug and hence to secure market access and market shares in a highly competitive market.

Thus in this paper the term “*strategies beyond the pill*” will refer to a holistic definition proposed by Executive Insight, describing strategically designed offerings to a product or portfolio of products “*that address [...] stakeholder needs along the entire patient journey, leading to better health outcomes while at the same time providing a source of competitive advantage*” (s. Wenzel / van der Lubbe 2012, 19).



## **4 Potentials of Value-Added Services**

As it has been discussed before, value-added services are used to meet unmet stakeholders' needs and to improve customer-relationships with the aim to increase the value of a product. In this chapter, general fields for improvement in the relationship with key stakeholders as well as in health care processes will be presented.

### **4.1 Perspectives on value-added services**

#### **4.1.1 Payers**

The relationship between payers and pharmaceutical companies has long time been difficult. Pharmaceutical companies have experienced payers as a barrier to an appropriate prescription of their products by posing high administrative and financial hurdles for approval. Payers on the other hand, criticize pharmaceutical companies' aggressive marketing strategies, the lack of transparency in data and their strong efforts to maximize sales and profits (Heitzmann et al. 2013, 5).

The economic environment for payers has been changing over recent years. Continuously increasing life expectancy and an increasing proportion of elderly people pose challenges on the financing parties. Furthermore the proportion of working population, which accounts for the main share of revenues, is constantly decreasing. The revenues through premiums or taxes depend on wages and therefore are further influenced by economic downturns (BMG 2012). To face these challenges several payer organizations have implemented therapeutic guidelines to secure treatment efficiency. The English NHS body NICE regularly publishes NICE pathways to provide guidance for multiple therapeutic areas (NICE n.d.). Equivalent to this the German Federal State Committee publishes guidelines to secure adequate, appropriate and economical care of insured people (G-BA n.d.). Disease Management Programs are a further example for this.

The trend to strengthen efficiency in health care spending also shows itself in the pricing and reimbursement procedures. An increasing number of payers are linking the reimbursement and pricing decisions to the value of a drug (e.g. the German AMNOG, English PPRS 2014). Similar trends are visible in the United States, where the health care spending in percentage of the GDP is the highest. The United States' health care system is experiencing a shift from fee-for-service payments to outcome-based reimbursement, accelerated by the current health care reform. These leverages make payers major stakeholders in the pharmaceutical commercialization and put

pressure on pharmaceutical companies to demonstrate high levels of value of their products.

In 2009 Deloitte conducted a research among public and private sector payers in the United States to answer the question on what payers want the pharmaceutical industry. They identified three major fields in which payers would seek more action from the industry:

- “- *Demonstration of pharmaceutical products real value*
- *Assistance with cost management*
- *Less contentious relationship with pharma*” (s. Heitzman et al. 2009, 3)

To meet these needs, the pharmaceutical industry would need to develop distinct capabilities for the following topics:

- “- *Improved Information*
- *Exceptional Service*
- *Advanced Contracting*” (s. *ibid.*)

*Improved information* includes, besides information on safety and efficiency, substantiate information that can be used for health economic analysis to ease decision-making regarding reimbursement and coverage. To meet this need, pharmaceutical companies would need to provide more robust and reliable studies showing the comparative effectiveness across current standards of care, patient-reported outcome analyses, epidemiological meta-analyses as well as a retrospective database-analyses for both the developing and commercialization of their products (*ibid*, 3).

Results of the Deloitte study further showed that payers would wish to be valued customers with corresponding *exceptional services* and would wish for key account managers to have more expertise in various fields. Future key account managers would need to have a broader knowledge base with good clinical understanding as well as a robust knowledge of their portfolio (*ibid*, 5).

The study also showed that payers would wish for shared responsibilities in terms of the provision of cost-effective health care including treatment compliance and other industry challenges as well as pay-for-performance arrangements for better cost control. The pharmaceutical industry thus, would need to offer *advanced contracting* as for example in form of Payer Partnerships (PP) including education programs, value-based reimbursement and outcome guarantees (*ibid*, 6 f.). These capabilities in combination would provide a solid basis for pharmaceutical companies to develop value-added services to address payers' needs (*ibid*, 2 f.).

A further pressing concern of payers (as well as the industry) is patients being non-compliant to their treatment. Reviews from the World Health Organization (2003, 7) assume that in developed countries, adherence among patients suffering chronic diseases averages only 50%. A systematic review conducted by Viswanathan et al. (2012, 785) estimates that in the United States non-adherence causes at least 10% of hospitalizations and 125 000 deaths per year. The costs that incur to the American health care system are estimated to amount between 100 billion and 289 billion dollars annually, showing a strong incentive for improvement in this field.

### **4.1.2 Patients and caregivers**

Patients are becoming more active, informed and gain more influence in the choice of therapy. They slowly reduce the physicians' traditional role as decision-maker and become more likely to be prepared for discussions with their physicians and to have independently decided on a drug of their choice (Alt / Puschmann 2005, 297). They are thus becoming more and more important stakeholders for the pharmaceutical industry and an increased concentration on their need can be worthwhile.

Patients in need for medications primarily want effective and safe treatment, provided that they can afford it, for example through insurances. Given this, there are further expectations patients have not only to the drug but also to the pharmaceutical company behind it. A study by the Manhattan Research fielded online in 2012 among 6 607 U.S. adults showed that 30% of online consumers with a chronic disease and 38% of caregivers are interested in support programs that would provide them a range of services. The most popular services among the respondents are financial support, meal plans and recipes, tools to track and manage a condition as well a registered nurses hotlines. The uptake of such programs, however, would vary strongly by condition (Manhattan Research 2012).

There are further topics important to patients and caregivers as for example transparency and the wish to be provided with all relevant information on safety and efficacy (ideally in a comprehensive manner). Especially through the possibilities new media like the internet offers, patients are becoming more active in the search on information for their right treatment. Focus groups on 88 Canadian patients conducted in 1999 identified five major points patient wanted to have information on: "Side effects and risks, range of treatment options, how long to take medications, and whether the medication was right for them." (s. Nair et al. 2002, 106)

Traditionally pharmaceutical marketing tended to focus on the need of physicians as prescribes, but there is an increasingly popular view to put patients more into focus. Patient-centred care has become an increasingly important topic by health care providers as well as pharmaceutical companies. It involves respect for the patient and their caregivers, emotional support, comfort, information and communication, treatment and care coordination as well as good access to care.

Focusing on patients appears to be relevant by looking at figures on the reputation of pharmaceutical companies among patient health groups. Only 34% of 600 patient groups from 56 countries responding to a 2012 survey by Patient View state that multinational pharmaceutical companies had an “excellent” or “good” reputation, showing a decrease in 8 per cent points in comparison to 2011. 50% said that industry had a “poor” record for having fair pricing policies. 48% said that industry had a “poor” record for being transparent (Patient View 2013, 1).

Pharmaceutical engagement in patient matters, however, is a highly regulated field and services in this area must be thoroughly checked for their legal validity. Direct to patient marketing of ethical drugs is prohibited in all western countries except the United States and New Zealand (Breitenbach / Fischer 2013, 270). In the United States, however, all spending's towards patient organizations need to be disclosed, as laid down in the Patient Protection and Affordable Act (PPACA). The European Federation of Pharmaceutical Industries and Associations (EFPIA) is following the lead and is planning to strengthen transparency by 2015, similar trends are visible in Asia Pacific countries (Buzzeo 2012).

### **4.1.3 Prescribing physicians and hospitals**

Physicians are the gatekeepers to prescription drugs. Traditionally they are the ones in charge of the diagnosis, the decision on the right therapy and communicating the risks and benefits of the treatment to the patients.

This key role has made prescribing physicians traditionally the main target group of pharmaceutical marketing and frequent visits of pharmaceutical sales representatives (PSR) are day-to-day routine.

In 2010, a study by Klaus Lieb and Simone Brandtönies on 208 German physicians (from the fields of neurology/psychiatry, general medicine, and cardiology) showed that 77% of all physicians stated to be visited by PSR at least once a week, and 19% said every day. 49% said they only occasionally, rarely, or never received adequate

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information from their PSRs, and 76% stated that their PSRs often or always wanted to influence their prescribing patterns. Only 6% considered themselves to be often or always influenced by their PSR, while 21% believed this of their colleagues. However, 52% answered that they would regret a stop of PSR visits, because they consider practical prescribing information, support for continuing medical education as well as pharmaceutical samples to be important for them.

Similar results were gained by a study of the University of British Columbia on 255 doctors in Canada, the United States and France between May 2009 and June 2010. It showed, however, that in 59% of PSR visits, PSRs did not provide any information about common or severe side-effects and the type of patients not suitable for the treatment (UBC 2013).

In 2012 Publicis Touchpoint Solutions conducted a survey on 250 member-physicians of Sermo, an online community for physicians to share observations, adverse side effects of treatments and clinical issues. The survey asked for physicians' needs and wishes they have in terms of pharmaceutical companies. 81% stated they wanted "higher quality" PSRs and 89% wanted PSRs to base their conversation more on clinical studies and evidence based medicine. Furthermore over 80% wished to see more customer service representatives, clinical health educators or have more medical science liaisons.

Being asked the open question, on what day-to-day challenges life sciences companies could help solve, three main topics could be identified. A common issue was said to be the need for more help with patient access to the treatment. This includes support of patients not being able to afford the medication (e.g. sample programs or discounted meds) and more information on reimbursement. Another common theme was to help physicians with educating their patients more efficiently and effectively. This includes patient education regarding compliance, risks as well as the wish for value-added services like interactive apps, or counselling and treatment support. Finally, physicians wish to receive more or more efficient support and education for themselves and their staff. This may include electronic dosing calculators or high quality information on diagnostics, applications areas or treatment guidelines (Publicis Touchpoint Solutions 2012).

Besides individual prescribing physicians there are also institutional customers, as hospitals or managed care organisations, who have different needs. These customers are characterized by a network of stakeholders and complex decision-making processes. Hospitals are usually under the pressure of delivering highly efficient health

care to stay competitive. They are thus often working with internal operating systems to improve processes and are therefore likely to be open for improvements in administrative systems or patient records. A study by Devaraja and Kohli showed that for example IT-enabled business process redesigns in hospitals can have a positive impact on the satisfaction of patients. However, hospitals traditionally only have little direct contact to pharmaceutical manufacturers – not least because of their hierarchical structures and the hard to reach decision makers.

There is a global trend of strengthened transparency requirements concerning promotional spending's towards health care professionals requiring an adequate infrastructure within the companies that is capable of detailed record-keeping. This topic is further discussed in chapter 6.1.

### 4.1.4 Pharmacists

Along the patient pathway, pharmacists are the ones who shall provide patients with information on correct intake of the medicine, dosage, side-effects and possible interactions, storage information and who shall stress out the importance of adherence to the treatment plan. Drug prescription has been for long almost the sole field of authority of physicians. This is why pharmaceutical marketing has focused mainly on them. However, changes have occurred and other licensed practitioners are gaining prescribing authority, including clinical pharmacists. Furthermore, national regulations like the German *aut idem / aut simile* choice on prescriptions provide significant decision making power on the choice of the drugs to be used. Thus, there are incentives for the pharmaceutical industry to promote themselves and their product to these groups.

A study on 176 German pharmacy owners conducted by the University of Applied Sciences in Augsburg commissioned by the pharmaceutical company Winthrop Arzneimittel GmbH (2013, 3) asked pharmacist in an open question what they ideally expect from partnership programs with pharmaceutical companies. In 261 answers the following was stated:

1. Good policy conditions	29%
2. Good merchandising and sales aids	15%
3. Good training and continuing education	12%
4. Courtesy with returns	9%
5. Good support by sales staff	8%
6. Good cooperation	5%

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7. Preferred deliveries	5%
8. Economic benefits	4%
9. Good information policy	3%
10. Target agreements	2%
Other specific suggestions	<u>8%</u>
Total responses	100%

In return 91% of pharmacists stated they could picture themselves preferring products of the respective manufacturer within the scope of the substitution rule (PR. & P. 2013, 3).

Compared to “independent” pharmacies, hospital pharmacies are more logistic than service and sales driven. According to Alt and Puschmann their emphasis would thus lie on warehouse management (2005, 298).

##### **4.1.5 Conclusion**

The literature research on the needs and expectation different stakeholders have concerning pharmaceutical companies, revealed several universal wishes. The wish for more commitment for their respective needs as well as the wish to be provided with comprehensive relevant and unbiased data is shared by all. There is still some scepticism towards pharmaceutical companies’ engagement but, as several studies have shown, a positive relationship with stakeholders can have a positive influence on their attitudes towards the company. Since pharmaceutical engagement with its stakeholders, especially with patients and health care professionals, is highly regulated in most countries, services need to be thoroughly aligned to national laws. As there is a trend of increasing transparency demands for financial interactions with patient organizations and health care professionals, an infrastructure of detailed record keeping needs to be implemented to meet these upcoming demands.

This section’s aim was to give overview on what kind of services in general are important and asked by different target groups. However, since individual needs of stakeholders strongly depend on the respective therapeutic area of a product, national regulations and other factors, a target group orientated customer analysis before the development of each service strategy is recommendable.

## 4.2 Unused potentials in health care

Services within a service strategy are diverse and depend on the special requirements of each specific product. There are some major fields holding potentials for improvement from which each stakeholder, patients, payers and the companies themselves might benefit. Higher adherence rates, optimized treatment processes, targeted diagnostics or sound monitoring of a patient's health status leave significant opportunities for better health outcomes.

Value-added services within service strategies are ideally solutions to stakeholders' unmet needs. To know where these unmet needs lie, an in-depth customer analysis on how customers experience interactions with the pharmaceutical company's product should be conducted. This involves a detailed analysis of the patient pathway for the respective product. The patient pathway describes a patient's journey from having first symptoms to the diagnosis, the choice of treatment up to the recovery (see Fig. 1).

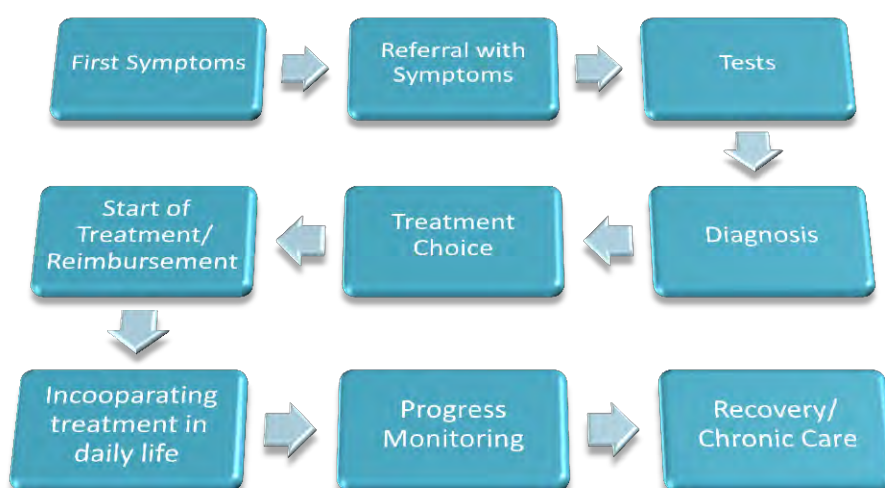


Figure 1 The Patient Pathway

Depending on the therapeutic area and the product itself, different steps within the patient pathway may be in need of service support. In the following major fields of improvement within the patient pathway will be presented and approaches on how to target them with service strategies will be shown.

### 4.2.1 Patient adherence

Reviews from the World Health Organization assume *“that in developed countries, adherence among patients suffering chronic diseases averages only 50%”* (s. 2003, 7). A systematic review conducted by Viswanathan et al (2012, 785) estimates that in



the United States non-adherence causes at least 10% of hospitalizations and 125 000 deaths. Non-adherence is estimated to cost the U.S. health care system between 100 billion and 289 billion dollars annually. The potential of cost savings in this field therefore is high.

The problem, however, is complex. Patients' infrequent interaction with providers, the involvement of diverse influencers (e.g. physicians, pharmacies or payers) and the limited insight into patients' homes pose major hurdles. The World Health Organization classified these factors into five groups:

- *Socioeconomic-related factors*, including the distance to the treatment setting, high costs of medication, local beliefs around the illness and language barriers,
- *Condition-related factors*, including memory deficits, the duration of treatment and previous failures or side-effects,
- *Patient-related factors*, including insufficient understanding for the disease and treatment, insufficient involvement in the decision-making processes and suboptimal medical literacy,
- *Therapy or physician-related factors*, including insufficient recognition non-adherence in patients, prescription of complex drug regimens, unsatisfactory explanation of the benefits and adverse effects of a medication, not considering the patients financial burden of a treatment and ineffective communication,
- *Factors relating to the health system / team*, including limited health care coordination and access to health care (Sabaté 2003, 55; WHO 2003, 62).

Addressing this issue is also a key concern of health care regulators, as it holds the opportunity of improving treatment processes and thus to reallocate preventable costs to fields in health care. Pharmaceutical companies have developed services targeted at these problem fields. They provide easy-to-understand information on the treatment and support patients' competencies to have a targeted dialogue with their physician. Websites, call centres, hand-out materials or mobile-phone apps are further provided, showing some success but also limits. New technologies thus have been developed to allow new levels of monitoring adherences. Smart pill-boxes or injection devices have been invented that can monitor the frequency of intake and send a reminder to the patient but also report to caregivers, pharmacies or physicians.

Further, there is an observable trend to utilize more customized tools. As measures based on evidence-based behaviour change theories to influence patients' adherence, have proven to be most effective, pharmaceutical companies have begun to use

clinical psychology methods to achieve a long-term behavioural change amongst patients. A solid understanding for the reasons of non-adherence is used to develop personalized communication to ensure motivation and compliance (Brown 2011, 21 ff.). Providing sustainable service in this field however, demands good knowledge of legal margins and narrow cooperation with various stakeholders which, however, can prove to be difficult (Cattel / Chilukuri / Knott 2012).

### **4.2.2 Disease management**

The World Health Organisation estimates that in 2008 chronic diseases such as cardiovascular diseases, strokes, chronic respiratory diseases or diabetes accounted for 63% of all deaths worldwide. Ageing populations support this trend (WHO 2011, 5). In the United States, chronic diseases account for 75% of the total health care spending (CDC 2009). Disease management programs are implemented with the aim to improve insufficient treatment through coordinated collaboration of physicians, hospitals and therapist to deliver best possible results based on the latest state of science. Besides creating more efficient treatment processes, the focus is lying on an improvement of the treatment and quality of life of the patients. An approach to this can be guideline-based case management including individual treatment and assistance plans for the patient (Fischer/ Breitenbach 2013, 271). An example from practice is the DAWN™ study implemented by Novo Nordisk, in collaboration with the International Diabetes Federation. It is an extensive advocacy programme covering screening actions, the provision of equipment for hospitals, support for patient organizations, collaborations with governments and the treatment of patients itself. Educational training, brochures and e-mail reminder for medication intake are provided to support patient's disease management (Novo Nordisk A /S 2013).

### **4.2.3 Companion diagnostics**

Patients respond differently to various medications, due to biological differences. In a study by Belle and Harleen (2008) it is estimated that 20 to 95% of the variability in a patient's drug response is related to genetic differences. Pharmacogenetic testing may help the physicians to comprehend why patients react differently to a drug and thus to make better decisions about the therapy. Aligning treatments based on biomarkers that indicate the effectiveness a drug will have for a particular patient, can significantly improve health outcomes while reducing costs associated with ineffective treatments. Means to measure individual variations have been continuously developed and specified over the last century. Nowadays, there are thousands of genomic

and combinatorial measurements available enabling physicians to adjust medications to individual patient profiles. To realize the full potential of these developments, major hurdles must still be overcome. This includes an enhanced understanding of the molecular processes of a disease, improved cooperation with various stakeholders and adequate IT-structures (Cattel / Chilukuri / Knott 2012).

Pharmaceutical companies in the United States already include biomarkers and companion diagnostics to a treatment in the FDA labelling of pharmaceuticals. An example from practice is the partnership between Genetech and Dako. Together they offer a testing system that helps to identify patients who most likely will profit from the breast cancer drug Herceptin (Breitenbach / Fischer 2013, 271).

### **4.2.4 Monitoring**

Constant health monitoring allows constant observance of treatment progresses as well as the early detection of risks and a timely reaction to them. However, monitoring especially in an outpatient setting can be difficult and asks for active engagement of the patient, who will need to make frequent appointments with their physician or to keep health records. New kinds of devices have been developed to support a facilitated health monitoring. They are able to provide real time monitoring of a patient's vitals and thus quick delivery of treatment when needed. Glucose monitoring for example allows adjusting insulin pumps with optimal doses of insulin at a needed time. Implanted defibrillators are being equipped with sensors to monitor and maintain heart performances. However, the challenges in this field (technological and regulatory) are difficult but the possibilities may seem encouraging for pharmaceutical companies to engage in this field (Cattel / Chilukuri / Knott 2012).

### **4.2.5 Conclusion**

Payers focus on outcomes has been strengthening over the past years and pharmaceutical companies shift from promoting their products to physicians to competing on outcomes in front of payers. As lifestyle, environment and individual treatment have a strong influence on health outcomes, pharmaceutical companies have begun to offer adherence and disease management programs around their products. The aim is to improve the value of a drug by increasing its health outcomes and thus to have a better position in front of payers and competitors. To meet payers' demands, these services will have to evolve into monitored health care solutions (Ruzicic / Flostrand 2010, 30).

#### 4 Potentials of Value-Added Services

Unmet needs in health care are leaving some opportunities for improved care. Service strategies “beyond the pill” can make use of these needs to enhance the value of a product. Which approach to choose, depends on the product and the unmet needs that occur in the respective therapeutic field and legal environment.

### **5 The Current Service Landscape**

The pharmaceutical industry is currently experiencing fundamental changes. Increasingly well-informed patients, a growing number of cost-containment measures by governments and health insurance providers as well as the possibilities and changes new technologies yield have a significant impact on the relationship between a pharmaceutical company and its customers. This chapter assesses how the industry is using value-added services to address these changes. A short insight in services that could be found online, the inclusion of new technologies and stakeholder specific services will be presented in the following.

#### **5.1 Overview on services provided online**

Value-added services to a product, offered to respective stakeholders can be seen in various forms. To gain a first overview on the current service landscape an analysis on 131 value-added services provided online by pharmaceutical companies in context with branded drugs has been conducted. These services certainly show only a small extract of the total service landscape, especially as they only include those that can be found online, but they provide several examples on what is being offered. The identified services include on the one hand services gathered by Executive Insight. In addition services were added, that were provided in context with the 25 top selling branded drugs in the USA of the third quarter of 2013 (as listed by IMS Health, to be found on drugs.com), as well as services that could be found with search engines using search terms like “pharmaceutical”, “drug”, “medicine” or the names of some of the top branded or generic pharmaceutical companies in combination with “patient/physician / payer service” or “support program” were included. Due to the limitation to German and English search results and the strict pharmaceutical advertising regulations, (e.g. in Germany, UK), most services were found in the United States (where less strict advertising regulations apply).

Table 1 Assessment of services found online

	Number of Services
<b>Services associated with a drug</b>	92
<b>Services not associated with a drug</b>	38
<b>International websites</b>	22
<b>National websites</b>	109
USA	88
Germany	16
UK	2
Austria	1
Switzerland	1

The results show that the identified value-added services tackle various therapeutic areas, use diverse channels and differ in their extent and degree of customization. Main channels that could be identified include besides the websites also hotlines (e.g. direct lines to nurses), face-to-face contact, email contact, chats or forums, apps, educational facilities (for health care providers), special gadgets (e.g. portable home monitoring devices), materials or databases. Some services are embedded in an overall service strategy, others are offered discretely. The target groups include mainly patients and care givers followed by prescribers and non-prescribing health care personnel as well as payers and other professionals.

Services for ethical drugs can be seen to be very country specific. In predominantly private health care systems as in the United States, co-payments are an important service to secure access for all patients, independently of their insurance status. In most countries, however, only a few value-added services with a link to a branded drug could be found online, due to prohibitions of prescription drug advertising that apply in most countries. The German law on the advertising of medicines (Heilmittelwerbegesetz) §11 for example prohibits any advertising of prescription drugs to non-professionals. A similar prohibition is effective in the United Kingdom, where “*any advertisement wholly or mainly directed to the general public which is likely to lead to the use of a prescription only medicine*”, as stated in the blue guide on advertising and promotion of medicines in the UK, is forbidden (s. MHRA 2012, 24). The United States and New Zealand are currently the only western countries allowing direct-to-patient marketing of ethical drugs (Humphrey 2009, 576). Therefore, pharmaceutical companies make usage of unbranded service offerings by providing services that are not directly connected to a respective ethical drug, but are more likely to be offered through general websites on the respective therapeutic area (e.g. [www.ms-gateway.de](http://www.ms-gateway.de) by Bayer).

There are further essential service types that are not covered within this sample like advanced contracts (e.g. contracts including price caps or outcome guarantees) or a specialized key account management provided to payers or other stakeholders. These kinds of services are especially important in terms of pricing and reimbursement decisions.

### 5.2 Possibilities of new technologies

Technology is playing an increasingly important role in health care and the pharmaceutical industry has brought forward many IT-driven applications for their customers in the past. The advent of the internet has brought more circulation of disease and product information to customers, has supported many campaigns and offers many possibilities of providing more added value to customers. The internet enables pharmaceutical companies to improve the depth and breadth of interaction with their customers and can be used complementary to existing channels like sales representatives or call centres (Alt / Puschmann 2005, 298). Patients nowadays can inform themselves about their disease and treatment options and can share their experiences. This gives them more independence from their physicians who were classically the ones holding all information. But not only patients may profit from the opportunities the internet provides. Health care providers have access to various portals offering them possibilities to share experiences or questions concerning specific treatment options and to access relevant information quickly. Same goes for other stakeholders, as health insurances or health policy makers. Information can be found and shared fast. These possibilities make the internet an important factor in marketing as it can also reach a wide audience.

The term eHealth has been established, which refers to technology based applications for health care and has become a trend within the pharmaceutical industry (Badenhoop / Sattleger 2004, 309 ff.). Components of eHealth are:

- Information portals,
- Communication platforms allowing direct interaction (e.g. between patients and physicians, physicians and physicians) with or without direct reaction of the communication partner (e.g. chats/ diabetes diaries),
- Data transaction possibilities for sharing (health care) data,

- Monitoring systems for the electronic collection of the health care data of a patient to control the health status and the early detection of risks from a separate location (ibid.)

Another upcoming trend are mobile health (m-health) services, referring to mobile- or App-based applications. According to a study by Frost and Sullivan in 2011, the m-health market would currently be booming and would continue to grow in the upcoming years, supported by the increasing number of tablet and smartphone users (Leijdekkers and Gay 2013). M-health Apps can provide health care information, collect patients health data and allow real-time monitoring of patients vitals, as well as the direct provision of care (e.g. via telemedicine) (Alt / Puschmann 2005, 298). In December 2012 Leijdekkers and Gay (2013) identified 396 Apps linked to some kind of sensor (e.g. a weight scale, accelerometer, blood pressure monitor, GPS) to monitor physiological data.

Electronic medical records and other data can be gathered within databases, to be analysed and to base appropriate treatment plans and early diagnosis on it. There are further new types of technologies, for instance, sensor-equipped pill boxes or injection pens that are able to monitor drug intake and to send reminders to the patient or his physician (Cattel / Chilukuri / Knott 2012). Proteus Digital Health developed a chip that can be attached to a pill to record when exactly the pill gets metabolized or that can be implanted permanently to monitor blood glucose levels. The chip can give the physician immediate feedback on how the drug is performing and how the patient is reacting to it and hence possibly improve adherence rates (Proteus Digital Health, 2013).

### **5.3 Stakeholder specific services**

The expectations key stakeholders have towards the pharmaceutical industry are presented in chapter 4.1, this subchapter will present an overview on what the pharmaceutical companies are offering to their stakeholders.

#### Patients

Patients typically receive information on the disease or the therapy, provided via internet or hand out materials. Among the examples for services provided to patients and caregivers are Bayer's MS-Gateway online portal for multiple sclerosis affected people or the NovoNordisks DAWN™ Study program for diabetes patients and their



caregivers. Such platforms and programs provide patients with support for disease management, information and the possibility to share experiences with other patients. Monitoring a patient's vitals and supporting adherence is nowadays eased through the development of new technologies. Support with reimbursement is common in countries, where the coverage of prescription drugs for many patients may oftentimes not be given due to insufficient insurance coverage.

### Physicians

Traditionally services or rather marketing efforts aimed at physicians were carried out by sales representatives. However, due to regulations in various European countries, saving measures within the pharmaceutical industry and physicians decreasing acceptance, sales representatives are used more cautiously (Breitenbach / Fischer 2013, 270). Pharmaceutical companies thus are exploiting new channels to address health care providers. Typical complementary services to the classical detailing on the treatment and the current research are supporting services for operational processes or the offer for training of both physicians and their staff. Some pharmaceutical companies further offer online and interactive product presentations (eDetailing) to supplement sales representatives' visits (Alt / Puschmann 2005, 297).

### Hospitals

Pharmaceutical companies' services towards hospitals are oftentimes targeted at logistics. Especially in health care systems where hospitals are paid flat rates e.g. based on Diagnosis Related Groups (DRGs), process optimization is an important issue. Here, consultation on improved treatment pathways, error prevention or discharge management can be in demand. Further, to prevent hospitals from using online ordering systems of different pharmaceutical companies in parallel, several competitive companies have established market places such as Global Health care Exchange (GHX) in cooperation (Alt / Puschmann 2005, 297).

### Payers

In multiple countries payer and authorities put significant pressure on drug prices, forcing pharmaceutical companies to show outcome improvement for their offerings. Pharmaceutical companies therefore provide different kinds of services to meet these demands and thus to achieve successful reimbursement decisions for their product launches:

## 5 The Current Service Landscape

- Compliance Management: Specific programs or services to improve adherence (and thus create better health outcomes)
- Risk Management: Risk sharing contracts on cost absorptions in case of complications or treatment failure (e.g. Novartis' risk-share-contract for *Aclasta*® with the German health insurer DAK) (Ärzteblatt 2008)
- Pay-for-Performance: Charged price for a drug gets linked to its performance in practice (e.g. Janssen-Cilag's Velcade Response Scheme in England) (Ruzivcic / Flostrand 2011, 33)

There are further forms of collaboration between insurances and the industry. In Germany in 1997 a new law (§ 63 SGB V) came into force allowing collaborative pilot projects between the industry and payers for the development of services targeting process, organization, financing and remuneration optimization (Section 1) as well as pilot projects to services for the prevention and early detection of diseases and for medical treatment (Section 2). These services, however, need to be scientific monitored and an evaluation of the projects is required (s. Dietrich 2008, 9). Such partnerships can include programs addressing patient adherence or solutions based on telehealth, homecare or nurse-based. They may also target specific locally defined problems and be co-developed with payers or health care providers. With these types of services, pharmaceutical companies can improve health outcomes, demonstrate commitment and thus support market access. A recent example from practice is the partnership between Pfizer UK and the Heart of England NHS Foundation Trust (HEFT). Pfizer offers a hospital-based service to improve medicines management. They installed a Ward Based Medicines Management (WBMM) program to improve treatment and health outcomes for patients. Trained pharmacists are provided to consult and inform patients on their medication and prescribed discharge medicine. The program further coordinates the discharge process of the patient and supports integrated care. Pfizer benefits from this program by getting a deeper insight into the NHS and an improved image as a provider of health care solutions, while the NHS expects increased treatment efficacy and less readmission rates (McKee 2013; Pfizer UK 2013).

## **6 Challenges in Implementing Value-Added Services**

In implementing service strategies “beyond the pill” several hurdles might be encountered. Providing value-added services is a rather new concept for pharmaceutical companies and the structures are not fully developed. Questions, such as how services should be realized and how to prove the benefits of services, are oftentimes not easy to answer and require letting go of conservative business philosophies. These issues will be discussed in more detail in the following.

### **6.1 Legal restrictions and compliance**

Providing service strategies to customers requires a solid knowledge of existing legal frameworks. Services need to be aligned to national laws and to be compliant to recommendations and ethical codes of conduct by national and international pharmaceutical associations and organizations (e.g. PhRMA, EFPIA). These regulations shall secure that health care providers and others involved in prescription and purchase of drugs are not influenced in their decisions by pharmaceutical companies.

Legal restrictions can complicate the implementation of service strategies. Websites for example cannot be simply translated to be provided in a second country, but must beforehand be aligned to the national laws on advertising. In most western countries (except the United States and New Zealand) it is forbidden to promote ethical drugs to a non-professional public, due to advertising prohibitions (Humphrey 2009, 576). Thus, a linkage of patient related services to a company’s profit is not allowed in these countries. This poses a major problem in proving the value of a service in front of the senior management in a company (Rollins/ Perri 2013, 171). For this reason most services provided to patients by pharmaceutical companies are not related to a specific product or are provided through third party providers.

There is a global trend of strengthened transparency requirements concerning promotional spending’s towards health care professionals. On the forefront of this trend are the United States with the implementation of the “Sunshine” provisions on physician payments within the Patient Protection and Affordable Care Act (PPACA) § 6002 and § 6004 enforcing pharmaceutical companies to disclose promotional and sampling spending to the public (Buzzeo 2012). The European Federation of Pharmaceutical Industries and Associations (EFPIA) is following the lead and is planning to strengthen

transparency by 2015, similar trends are visible in Asia Pacific countries. This trend requires an infrastructure within the companies that is capable of detailed recording of spending to meet the upcoming new demands (ibid.).

### 6.2 Measuring the value

Pharmaceutical companies are economically orientated organizations that rely on cost-effective actions. To know if a certain action, like a value-added service, is profitable, oftentimes impact analyses especially on the return of investment (ROI) are conducted. They show the contributions of single services, justify investments and identify inefficient services. The ROI measures the profitability of a project and is calculated as follows:

$$((Gain\ from\ Investment - Cost\ of\ Investment) \div Cost\ of\ Investment) * 100$$

The realization of this calculation becomes difficult in terms of value-added services that often generate outcomes that are difficult to put into monetary value like soft or long-term outcomes. Furthermore, it can be difficult to isolate the effect of one single service on the overall profit (if it is linked to profit at all).

Joseph Jimenez, CEO at Novartis, stated in front of the Wall Street Journal in 2013 his belief that in the future *“companies like Novartis are going to be paid on patient outcomes as opposed to selling the pill”* (s. Novartis 2013). Value-added services provided to support health outcomes seem to be an important factor in the future. However, measuring the financial value of value-added services can be difficult. There are indeed quantifiable outcomes, such as the number of downloaded Apps or patients subscribed to a program. But there are also services whose value is more difficult to gauge, for example, customer satisfaction and loyalty or the improvement of the company’s image (Illert 2013, 36).

A typical process of calculating return on investment is shown in figure 2.



Figure 2 Measuring the ROI, Figure based on Phillips 2003, 27 ff.

The process starts with collecting the impact data. This can be difficult in cases, where legal (e.g. inaccessible patient data) or practical (e.g. stakeholders’ unwillingness to share information) hurdles may exist. Then there needs to be a solid measurement

technique to gain valid outcomes, especially in terms of qualitative outcomes as the patients' well-being. Finding valid indicators for the qualitative outcomes is necessary and an adequate instrument for measurement needs to be chosen. This, for example, could be a questionnaire that is handed out before and after the implementation of the intervention or service. The effects of a service on an outcome then need to be isolated. However, the extent of one single intervention in an environment of many influences may not always be clear. The next step in calculating ROI is to assess what impact the service has on profits. This might be a challenge in cases where services targeting for example patient awareness or patient well-being only have indirect influence on profits.

A further big hurdle is the measurement of long term effects. Full impact measurement can become time and cost intensive. A comparison of the ROI of two services is further not always possible when the time interval it refers to is not the same. The ROI does further not tell when a profit will take place and what risks might occur (Illert 2013, 36).

Measuring the ROI of value-added services provided to **patients** is especially difficult in most countries due to advertising prohibitions. However, the primary aim of service strategies as per definition is to enhance the value of a drug and to improve health outcomes to ease market access, mitigate risks or as a basis of competitive advantage. Therefore, service strategies should not be evaluated by how high their impact on sales and profit is, but on how efficiently they increased their targeted outcome.

## 7 Methodology of the Survey

Complementary to the literature research a survey has been conducted amongst professionals working for the pharmaceutical industry to assess their perceptions on service strategies and how they are implemented in their companies.

### 7.1 The survey as an instrument

The explorative study was conducted by using a survey that was created with SurveyMonkey, an online survey software tool. Data was collected through online questionnaires covering 29 questions. The questionnaire consists of the following nine sections:

- General information
- The current situation of the pharmaceutical industry
- Service strategies beyond the pill
- The development and implementation of service strategies
- The involvement of key customers
- Challenges in service development
- Types of services
- Strategies beyond the pill and return on investment
- Final questions

Different types of questions were used depending on the topic. The question types included multiple choice questions (with one or multiple answer possibilities), matrices (using the Likert Scale), one ranking question and open questions. Most multiple choice questions included the answer possibility of “other” to cover all answer possibilities. One conditional question has been included, letting participants not involved with service strategies “beyond the pill”, skip questions targeted at the current situation of these strategies within their companies.

All questions, except open ones, were mandatory. The choice of answering “I do not know” was given in questions targeted at certain knowledge (e.g. on how services are implemented in the respondents company) but not for questions on personal opinions (e.g. on how respondents think services *should* be implemented). Thus, participants had to state their opinions or perceptions.

As it could not be taken for granted, that all participants knew what was meant with “service strategies beyond the pill” and to ensure that all respondents had the same

understanding of the term, a neutral description and definition of the term was given in the survey invitation, the introductory text of the survey and in more detail in the survey itself.

### **7.1.1 Target group of the survey**

The questionnaire was targeted at people working for a branded pharmaceutical company and being in touch with service development. To reach this rather vague target group, it was decided to concentrate on professionals working in marketing, sales, business development, market access, product planning or medical affairs. Email invitations to the survey were sent out to professionals meeting these exact criteria's. The online postings were kept as short as possible to keep the readers interest. The postings therefore were only targeted at professionals "*working in pharma*" and being "*involved in service offerings or the commercialization of products*".

### **7.1.2 The survey roll-out**

The survey was open from 05 August to 06 September 2013. The survey was distributed through two channels: Email invitations and a web link. Email invitations were send out to 139 contacts that were known to work for pharmaceutical companies within the fields of marketing, sales, business development, market access, product planning or medical affairs. The emails were sent out through the SurveyMonkey online tool. The tool further allowed sending out reminder emails to those contacts who have not answered the invitation. The reminder was sent out on the 19 August. Additionally a personalized internal mail within LinkedIn was sent to 25 professionals that met the target group criteria and were identified within the LinkedIn group "Beyond the Pill".

A link to the survey was also published in relevant groups or forums in the internet. An overview is presented in the following:

#### **LinkedIn:**

- Group: Beyond the Pill (805 members, post was made a manager's choice)
- Group: Pharma SFE (15.764 members, post was made a manager's choice)
- Group: Pharma Marketing (8.535 members)
- Group: Pharma MKT (53.064 members)
- Group: Value-added Services (VAS) (341 members)

**Xing:**

- Group: Expertenforum Pharmamarketing & Gesundheitspolitik -> Folder: Pharma News & Views (13 views)
- Group: Gesundheitsmarketing-> Folder: Pharma & Marketing (8 views)
- Group: Pharma-> Folder: Sonstige Themenbereiche (10 views)

**Other Websites:**

- Forum: Pharma Marketing Network:  
<http://www.forums.pharma-mkting.com/forumdisplay.php?f=73> (438 views)
- Forum: Topix (U.S. News Webpage, in the Pharmaceutical Marketing Forum):  
<http://www.topix.com/forum/business/pharmaceutical-marketing/TV5POVPGKS8KCF5O9>

**7.2 Analysis**

The data was analysed anonymously. Based on the studies explorative nature and the limited response rate, only descriptive analyses were conducted. Statistical analyses as part of deductive statistics were not predefined or used (Fahrmeier et al. 2011, 13). All data was collected automatically within SurveyMonkey and exported to IBM SPSS Statistics 19, a statistical software, for further analysis.



## 8 Results

In the following the results of the survey will be presented. The presentation is based on the structure of the survey.

### 8.1 The sample

The survey has 105 responses. 69 respondents were reached through the web link and internal mails within the LinkedIn group “Beyond the Pill” and 36 through email invitations (see table 3). The response rate for the email invitations is 25.9% (based on a total of 139 approached contacts).

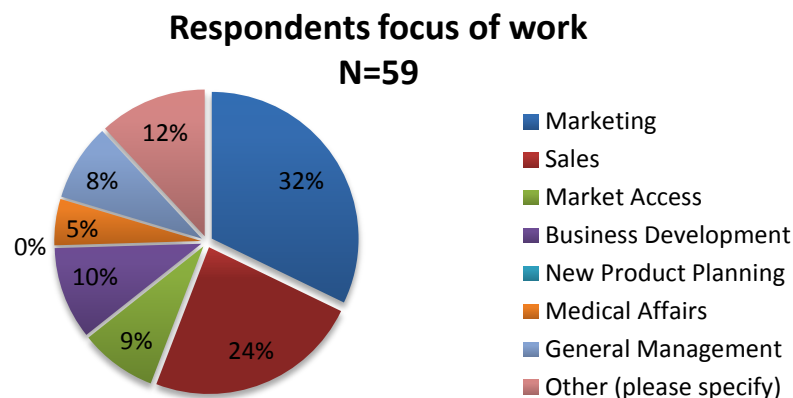
**Table 2 Channels of invitation and participants’ area of work**

Count

CollectorID		What is the area of your work?						Total
		Branded ethical products	Consultancy	Diagnostics	Generics	Medical devices	Other (please specify)	
	Email	32	1	0	0	1	2	36
	Web Link	27	22	2	8	1	9	69
Total		59	23	2	8	2	11	105

The survey was explicitly addressed at professionals working for pharmaceutical companies (branded or generic). However, 31% of respondents stated to work for other branches (e.g. consultancies or others, as media or students). These respondents mainly used the web link to the survey.

59 respondents working for the branded pharmaceutical industry are the main target group of the survey and the results of their answers will be presented in the following. The results of the other respondents, will also be utilized, but not within the scope of this thesis (e.g. to compare perceptions between branches).



**Figure 3** Participants' focus of work

The majority of respondents working for branded pharmaceutical companies is working in the fields of marketing (32%) or sales (24%). Other fields are business development (10%), market access (9%), medical affairs (5%) and new product planning (8%). 12% stated to work in other areas, which are: Cross functional areas of marketing, sales and business development, health management and politics, competitive strategy or medical education.

46% of respondents stated to work on a national, 28% on a regional and 26% on a global level. Those working on a national or a regional level specified Europe or parts of Europe (N=5), Germany (4), the United Kingdom (2), Greece (2) as well as Belgium, Netherlands, Switzerland, Russia, Japan, China, Philippines, North Africa and Australia (each mentioned once) as their geographical area of work. 19 respondents did not specify their geographical area of work.

## 8.2 Perceptions on the current situation of the pharmaceutical industry

To assess whether the participants feel a need for change within the pharmaceutical industry, they were asked to state their agreement on different statements concerning different challenges within the industry. The results show a high approval to most statements:

94 % believe that rising price pressure requires new business strategies,

94 % agree that unmet needs leave significant opportunities for improved care,

92 % approve that drugs alone will no longer be the sole source of differentiation,

91 % think that new barriers in market access require higher levels of added value,

83 % see patients becoming increasingly informed about their health and treatment options,

79 % agree that the sustainability of the traditional “pill alone” business model is uncertain and

63% think that the access to health care stakeholders has become increasingly difficult.

### 8.3 Perceptions on service strategies “beyond the pill”

The following questions refer directly to service strategies “beyond the pill”. To brief the participants on what is meant with these strategies the following short definition was given within the questionnaire:

*“The following questions will relate to service strategies “beyond the pill”. With this we mean a strategy for combining service offerings with a product or portfolio of products targeting stakeholder needs along the patient pathway, supporting better health outcomes while at the same time providing a source of competitive advantage.”*

Participants then were asked to state their opinion on the current and future importance of service strategies beyond the pill. Results show that participants believe service strategies will be more important in three years from now than they are currently (see Fig. 5).

While 33% believe service strategies are crucial now, 52% believe they will be crucial in three years from now.

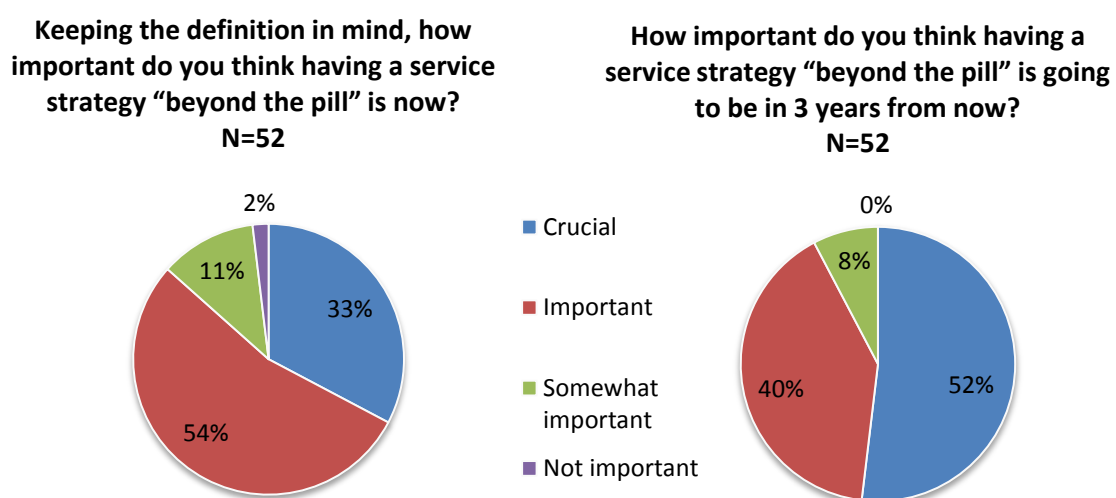


Figure 4 Current and future importance of service strategies “beyond the pill”

#### 8.4 Perceptions on the development and implementation of service strategies

The next part of the survey assessed how service strategies are developed and implemented. Service strategies seem to be well-established amongst the respondents companies. Being asked, if their company offers service strategies, 13% of the respondents answered „yes, for all products“, and 63% said „yes, for selected products“. 17% answered that their companies „have plans to develop service strategies“, and 6% said that there are none in place.

The latter 6% answering that their company does not offer service strategies were excluded from the following 12 questions on service development and implementation (until page 39), as these only apply to those working within companies that provide or plan to provide service strategies.

#### What are the goals of your company's service strategies?

N=47

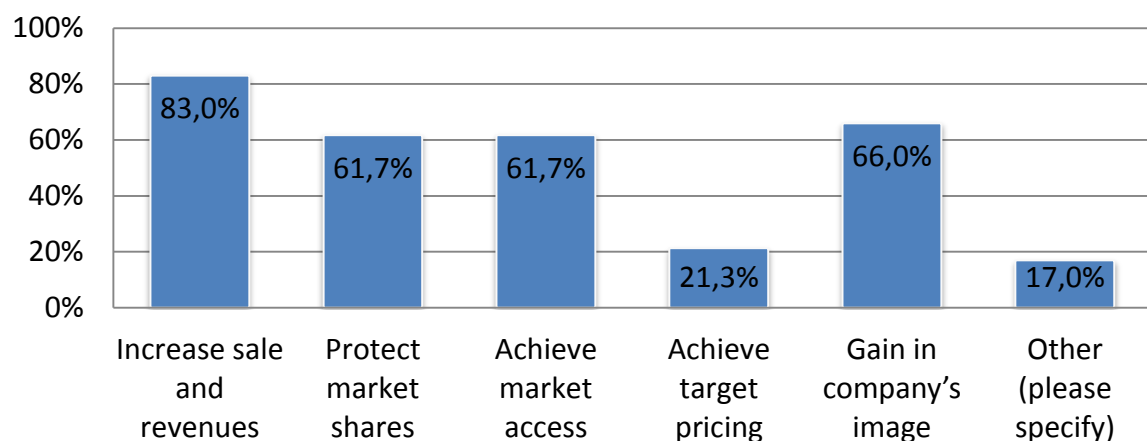
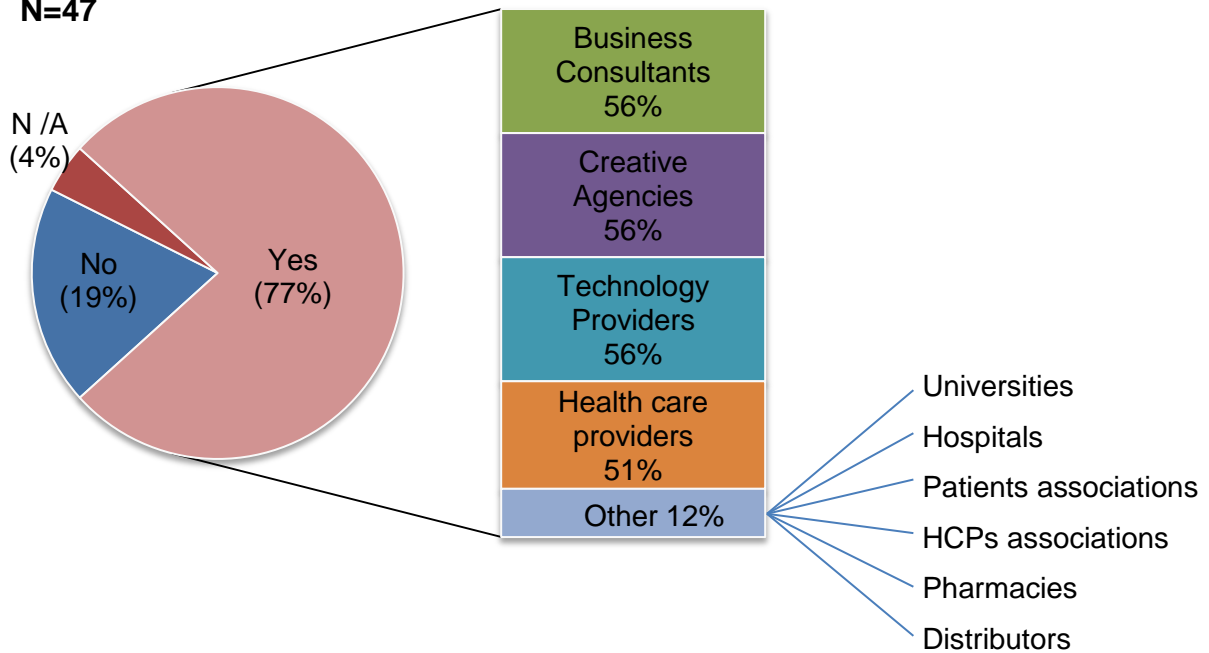


Figure 5 Goals pursued with service strategies, multiple answers

The next question asked for the goals which the participants' companies pursue with their service strategies. A majority of 83% reported to "increase sales and revenues", followed by a "gain in company's image" (66%), to "protect market shares" (62%) as well as to "achieve market access" (62%) (s. Fig. 6). 21% reported to "achieve target pricing" as a goal. Of the 17% (8 in total) mentioning "other" goals, four respondents named patient related benefits (e.g. to achieve "better health outcomes" or to "save patients' lives").

**Are external partners involved in the service design, and if yes, which ones?**

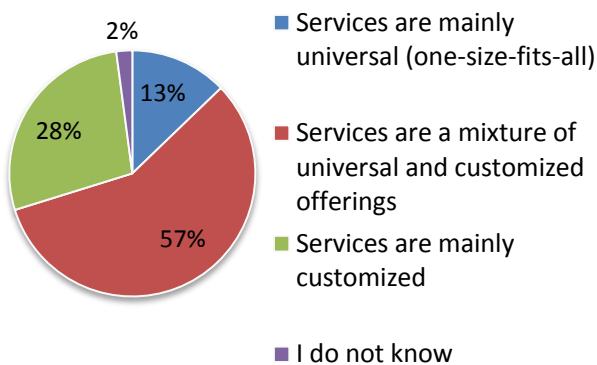
**N=47**



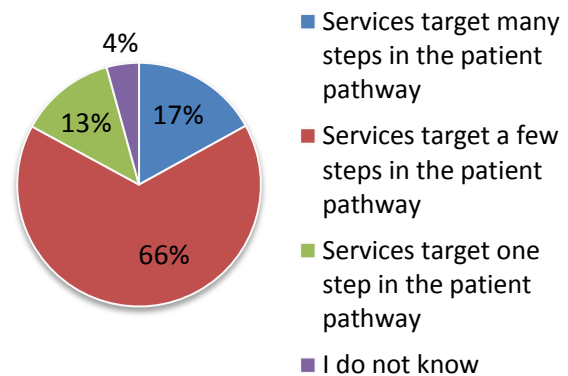
**Figure 6 Involvement of external partners**

The next question asked for the involvement of external partners in the service development (see Fig. 7). 77% of respondents answered that external partners were involved. “*Technology providers*”, “*creative agencies*” and “*business consultants*” were each named by 56% of respondents. 51% replied “*health care providers*”. “*Other external partners named were: Patient associations, universities, hospitals, pharmacies, distributors and health care provider associations were named.*”

**How would you rate the extent of services within your company’s service strategies? N=42**



**How would you rate the design of services within your company’s service strategies? N=42**



**Figure 7 Extend and degree of customization of service strategies**

The participants were asked for the extent and degree of customization of their company's service strategies (Fig. 7). The answers showed no clear direction. 65% answered that their company's service strategies cover a few steps in the patient pathway (compared to 13% saying they cover only one and 17% saying they cover many steps). 57% said their company's service strategies were a mixture of both universal and customized offerings (compared to 28% saying they are mainly customized and 13% saying they are mainly of universal nature).

A hint on why no clear direction could be seen was given in the following questions. The participants were asked whether they believe that the therapeutic area has an influence on the extent and degree of customization of a service strategy. Every respondent besides one, agreed on it. Being asked to elaborate their response, many replied that the content, complexity and the need for services depends on the nature of the disease. Some stressed out the distinction between primary and speciality care as well as acute and chronic and communicable and non-communicable diseases. Differences in the competitive environments of certain therapeutic areas were further named.

Following this, respondents were asked for their companies perspectives taken when defining a service strategy (Fig.8).

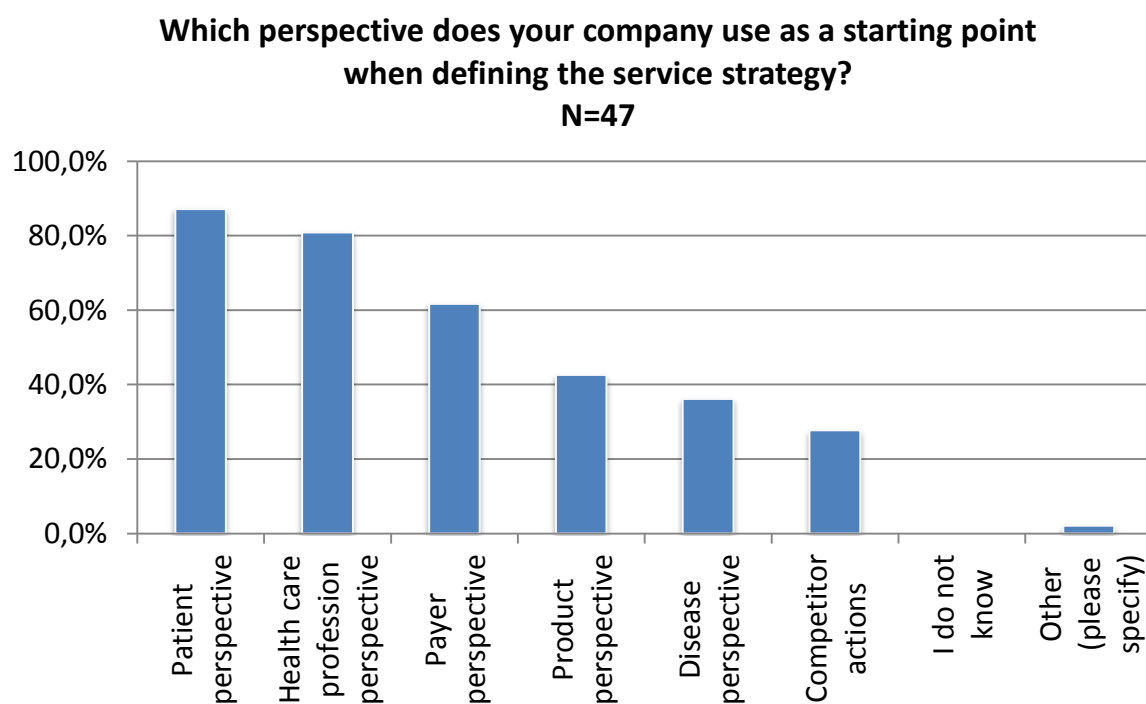
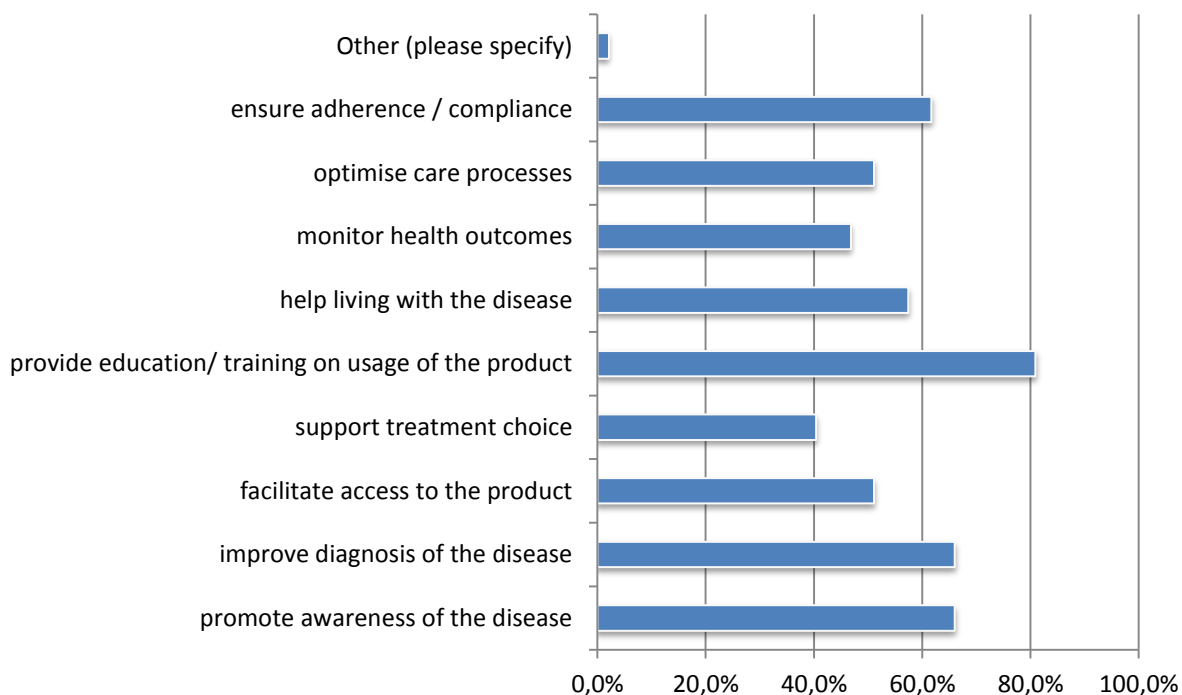


Figure 8 Perspectives used in defining service strategies, multiple answers

The majority of respondents replied that their company would use the perspective of their key stakeholders. 87% named the "patient", 80% the "health care professionals"

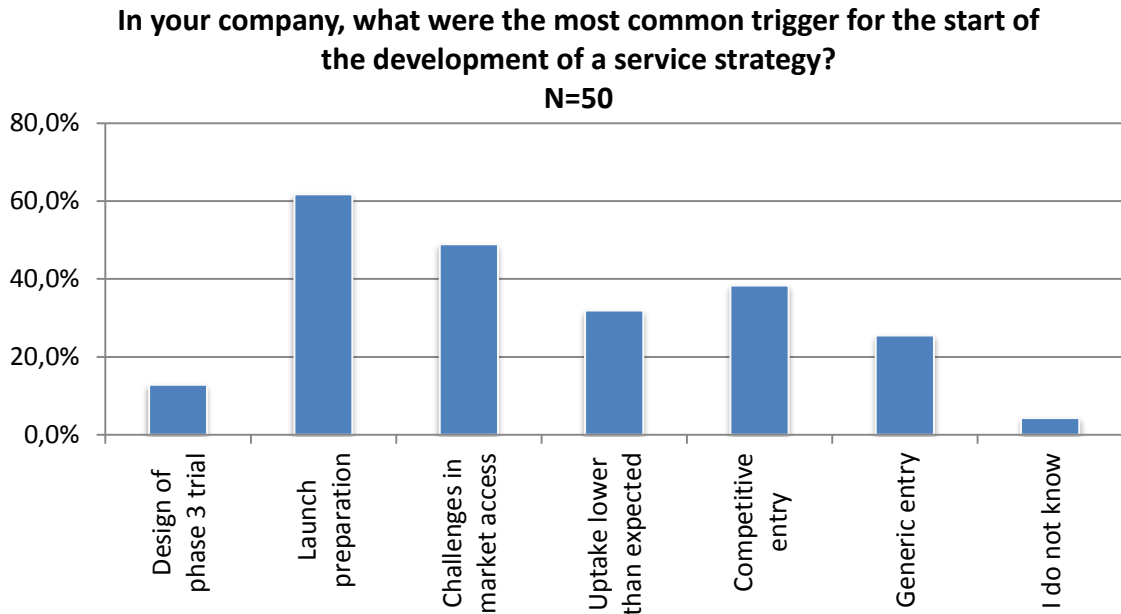
and 62% the “payer” perspective, as the starting point of their service definition. 43% named “product perspective” and 36% a “disease perspective”. 28% stated “competitor actions”.

**What kind of services does your company offer as part of a strategy “beyond the pill”? Services to...  
N=50**



**Figure 9 Kinds of services offered, multiple answers**

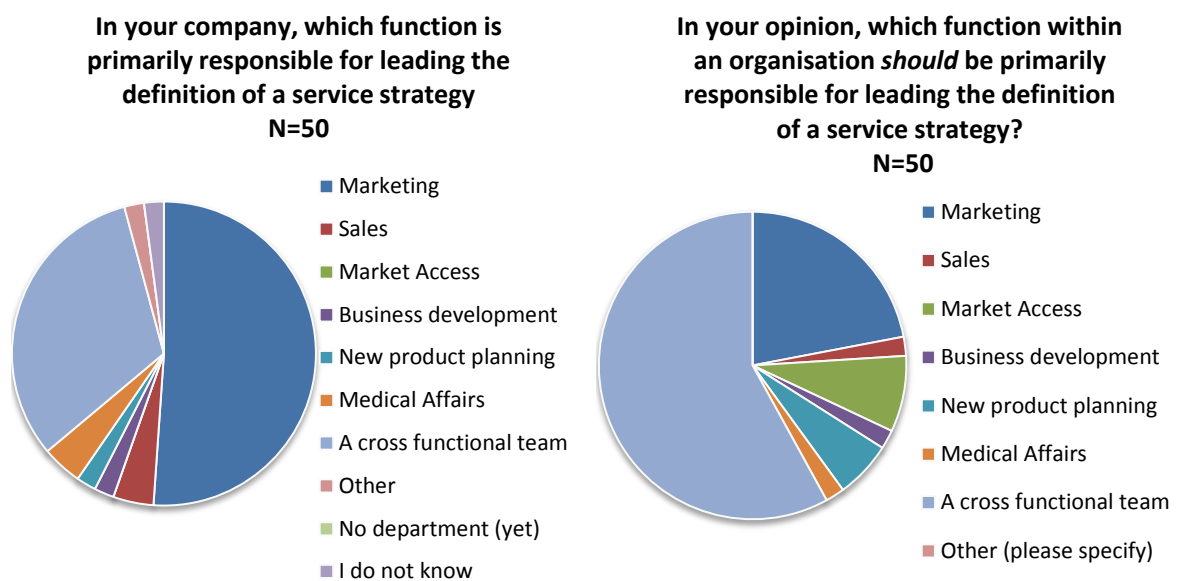
The respondents companies offer several kind of services. Most common services among those surveyed were the provision of education and training of the product (stated by 81%), the promotion of awareness and improved diagnosis (stated each by 66%), ensuring adherence (62%), helping with living with the disease (57%), facilitating access and optimizing care processes (each 51%) as well as monitoring (47%) and supporting the treatment choice (40%).



**Figure 10 Common triggers for the start of a service strategy development, multiple answers**

The majority of respondents indicates that the development of service strategies happens in the market access process (62% say during launch preparations and 49% say as a reaction to challenges in market access). Service strategies as a reaction to market challenges (low uptake, competitive and generic entry) were also common responses. Least common starting point was said to be the design of phase 3 trials.

→ Respondents, who had answered that their companies do not offer service strategies several questions before, have skipped all questions from page 35 on and were directed to the following question.



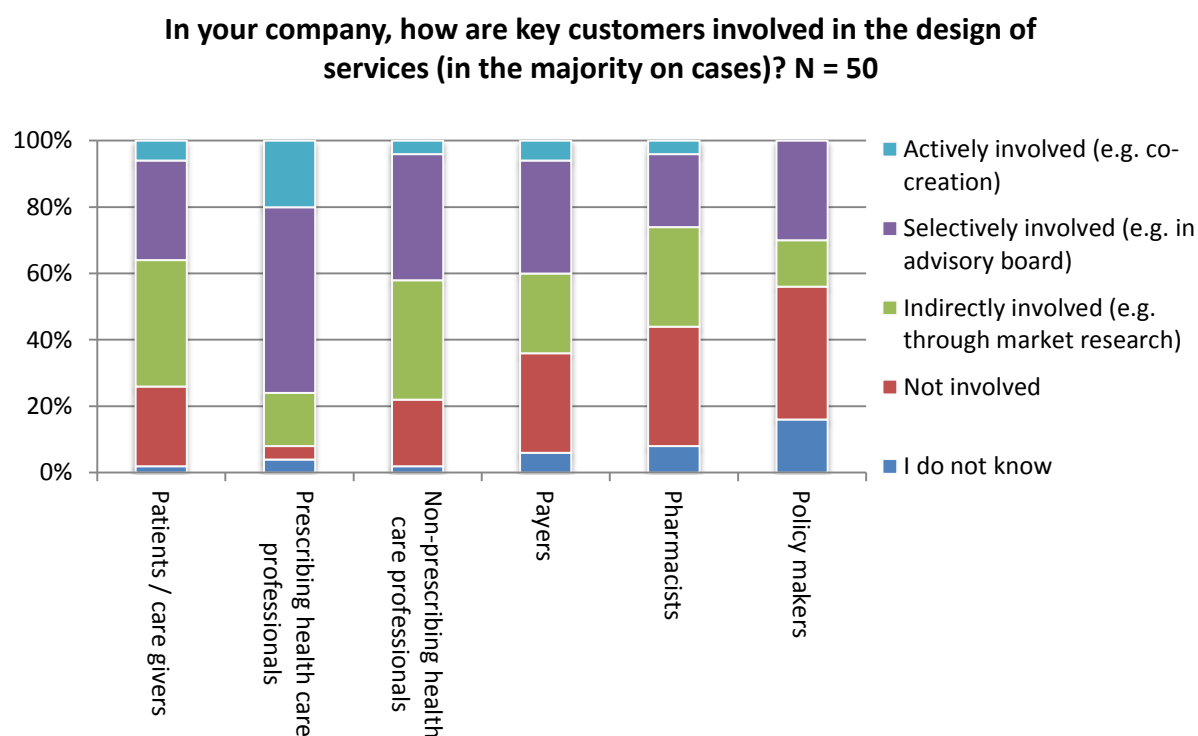
**Figure 11 Actual and preferred responsibilities**



Figure 11 shows the differences in who is leading the definition of service strategies within the respondents companies and who the respondents think *should* be doing it. 51% stated that service strategies were defined by the marketing department in their company and 32% said by cross functional team. However, only 22% said the marketing department *should* do it, 58% preferred a cross functional team.

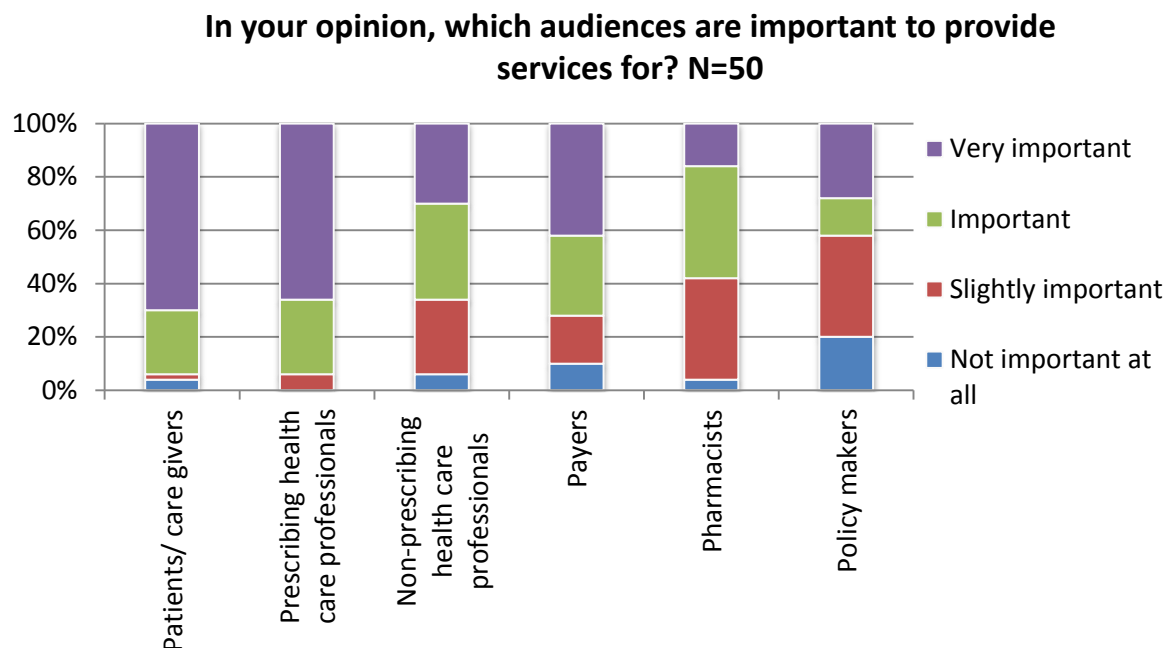
### 8.5 Perceptions on customer involvement

Respondents were then asked for the degree of involvement of key customers in the service design (Fig. 12).



**Figure 12 Key customers' involvement in service design**

Prescribing health care professionals were most often named to be actively or selectively involved (by 76%). Patients were said to *not* be involved in almost one quarter of responses. Least involved are said to be pharmacists and policy makers. Still, each key stakeholder (besides policy makers) was said to be in some degree involved in over 50% of responses.



**Figure 13 Importance of audiences to provide services for**

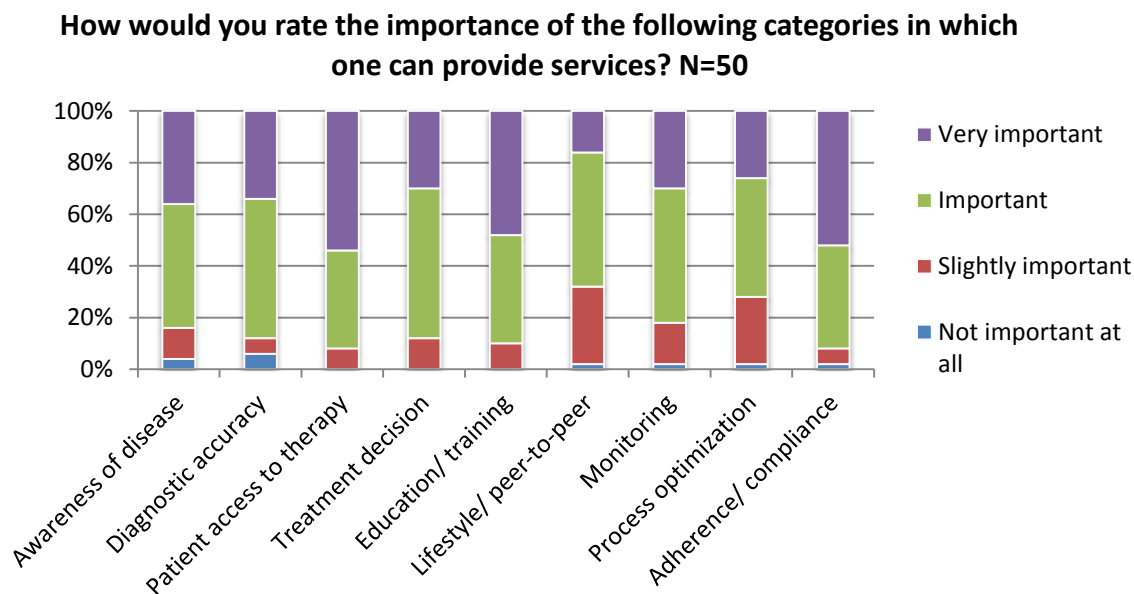
To compare the degree of involvement of key customers and their perceived importance as an audience for services, the participants were asked for their opinion on how important they believe the same key stakeholders to be (see Fig. 13).

Here, a great difference becomes visible between how actively patients are said to be involved in the service design. In 62% of responses patients were not or only indirectly involved but 94% believe there are an important or very important audience. 66% perceive prescribing health care professionals as a very important audience. Pharmacists and policy maker were perceived to be least important (with 42% and 68% of responses stating they are “slightly important” or “not important”).

The survey then asked for the participant’s opinion on whether the therapeutic area would have an influence on the choice of the most important audiences for services. 94% out of the 50 respondents agreed to this. Explaining their answer, respondents pointed out that depending on the therapeutic area, some stakeholders are more or less important “gate holders” to a medicine. It was further stated that some therapeutic areas have a stronger clinical or payer leadership. National regulations (on reimbursement or patient involvement) are a further factor named that could affect the audience selection.

### 8.6 Importance of different fields to provide services in

Participants of the survey were asked to rate the importance of given categories in which one can provide services (see fig 14).



**Figure 14 Importance of service categories**

All services were by the majority rated as “important” or “very important” with slight differences. Services rated most important were services supporting “patient access to therapy” and “adherence / compliance“. Least important (but still found “important” or “very important” by 68% and 72% were the service categories “life-style / peer-to-peer” and “process optimization”.

### 8.7 Perceptions on hurdles in developing service strategies

The survey asked the participants to share their perceptions on possible hurdles in developing and implementing service strategies “beyond the pill” (Fig. 15).

**What hurdles does your organisation face when considering to develop a service strategy “beyond the pill”? N=50**



**Figure 15 Hurdles in implementing service strategies**

The biggest challenge stated by the surveyed was a weak evidence for return on investment calculations (stated by 76%) as well as legal restrictions (stated by 68%). 42% agreed on the unwillingness of customers to partner with pharmaceutical companies, and each 30% agreed on a lack of leadership engagement and a lack of clarity on roles and responsibilities within their organization.

Other hurdles named were that payers or policy makers would not ask for or reward service efforts and that payers' focus would mainly concentrate on the price of a product. It was also stated that implementing service strategies can be highly complex with a wide time horizon.

### **8.8 Perceptions on value measurement**

Participants were asked to rank the importance of six given metrics to determine the impact of services “beyond the pill” from 1= most important to 6= least important. The results are shown in table 5. Most important metrics for impact measurement were answered to be objective outcomes, followed by the number of prescriptions. Least important metric was said to be the improvement of image.

Table 3 Importance of metrics to determine impact the of services

How would you rank the importance of the following metrics to determine the impact of services “beyond the pill”? (1=most important to 5= least important) (N=48)	
Answer Options	Rating Average
Number of prescriptions	2.81
Objective outcomes (e.g. increase in diagnostic rates, adherence)	2.31
Subjective outcomes (e.g. satisfaction, confidence)	3.79
Uptake of services (e.g. App downloads, registrations to a program)	3.85
Improvement in company image	4.81
Market access success (e.g. product in formulary, target price achieved)	3.23

Further important metrics for impact measurement mentioned were:

- Pharmacoeconomic impact
- Place on guidelines
- Market share gain
- A matrix to reflect the overall treatment paradigm rather than just the pill
- Press impact
- Intercompany satisfaction with the project

Being asked in an open question what the *biggest challenge in determining the impact of a service „beyond the pill“* is, many answered the calculation of return on investment (ROI). Specified, respondents named the following problems in measuring ROI:

- Difficulties with data access / availability
- Services are not always linked to sales
- Service impact on sales may be difficult to isolate from other effects
- Difficulties in measuring ROI in a specific (e.g. by the financial department determined) time period, that does not cover all long term effects

Further challenges named, were the fear of not having positive outcomes and thus to put the *“head in the sand”*. One respondent mentioned the scepticism external partner have towards pharmaceutical companies involvements, describing it described as *“a sliding scale between self-serving and altruistic that skews more towards the former”*.

## **9 Discussion**

The aim of the empirical analysis was to generate a first picture on the current perceptions of professionals working for the branded pharmaceutical industry on service strategies beyond the pill. The results of the survey will be verified and compared with the findings of the literature research and recommended courses of action will be developed.

### **9.1 Implications for practice**

#### **9.1.1 Importance of value-added services**

The pharmaceutical industry is facing a period of changes. Patent expiries, stricter pricing and reimbursement regulations asking for higher levels of added benefit as well as crowded markets are only a few factors posing high challenges that demand for solutions.

Harms et al. (2008, 145 f.) forecast that the increasing competition on the pharmaceutical markets would put pharmaceutical customers in choice of increasingly interchangeable preparations. The success of a product would therefore not solely be linked to its effectiveness, but also increasingly to service-oriented added benefits. Thus, the importance of policies aimed on image building would increase. Customers in the future would be able to choose between those companies that only sell medications and those who put additional effort into services for their customers. Innovative concepts for value-added services would hence become an increasingly important success factor.

The majority of respondents believe that strategies beyond the pill, as a measure to add value to a product, are already important and will gain even more importance in future years. Findings of the literature research on perceptions that relevant stakeholders have on services provided by the industry, as presented in chapter 4.1, revealed that there is a demand for specific services in each group of stakeholders. Respondents, however, indicated hesitation and scepticism towards the actions coming from the pharmaceutical industry. It might take some time and efforts to achieve stakeholders' trust, but current trends like the industry's' increasing commitment in transparency and the increasing number of private-public-partnerships with pharmaceutical companies seem promising (Buzzeo 2012).

### **9.1.2 Implementation of value-added services**

Respondents of the survey expressed their company's hesitation in implementing holistic service strategies. They would be more likely to remain their "old ways" until changes become inevitable or demanded. This is also showing itself in the triggers respondents named for the development of a service strategy. They indicated that today's "beyond the pill" strategies are rather implemented reactively, addressing already existing challenges in the market, than proactively as part of the pre-launch phase of a new product. However, starting early can be worthwhile. Adherence programs integrated into clinical trials can increase health outcomes within the trial population and thus give a better basis for negotiation in market access procedures. Services targeting disease awareness or diagnostic support are also better to be placed early to achieve most benefit from them (Wenzel / van der Lubbe 2013, 21). The service bundle can further be included in the value proposition of a product to increase its value in front of payers.

Service strategies can be complex in their nature and several different professions within the company will need to be involved. Currently, most services are in the hands of the marketing department, showing its current close link to sales. With a growing importance and acceptance of service strategies this might change, and the service development and implementation might be done by a dedicated cross functional team, bringing together different professions like marketing but also medical science liaison or experts in compliance. Important tasks of the team will be the gathering of funding and resources for the project and to demonstrate the program benefits in front of internal decision makers. External partners are already frequently involved (as stated by 77% of respondents). They can support service strategies with special know-how and capacities where they are missing in the company.

Many respondents believe that customers, especially patients, should be involved in the creation of services but legal compliance is perceived as a major hurdle. This also shows itself in the rather low numbers of actively involved patients (6%). Closer collaborations with patients or health care professionals could benefit the service design and acceptance, however, the risk of compliance violations and penalties might seem too high. This shows the importance of compliance-professionals involvement in the service design.

### 9.1.3 Service strategy selection

The main driver of a “beyond the pill” strategy design is the therapeutic area and the patient journey. A “beyond the pill” approach therefore distinguishes itself through a tailored strategy and should ideally include an in-depth customer analysis covering a disease, brand and competition assessment to capture all unmet needs along the patient pathway (Dasgupta / Wenzel 2013, 3 f.). An example for service mapping is the service model archetype (see Fig. 17), which allocates service strategies by depth and breadth. It gives an overview on how service approaches within a special field are designed. Whether they are highly adapted to individual customer needs or offered in a universal “one-size fits all” manner and whether they tackle only a few steps in the patient pathway or several ones (ibid., 4).

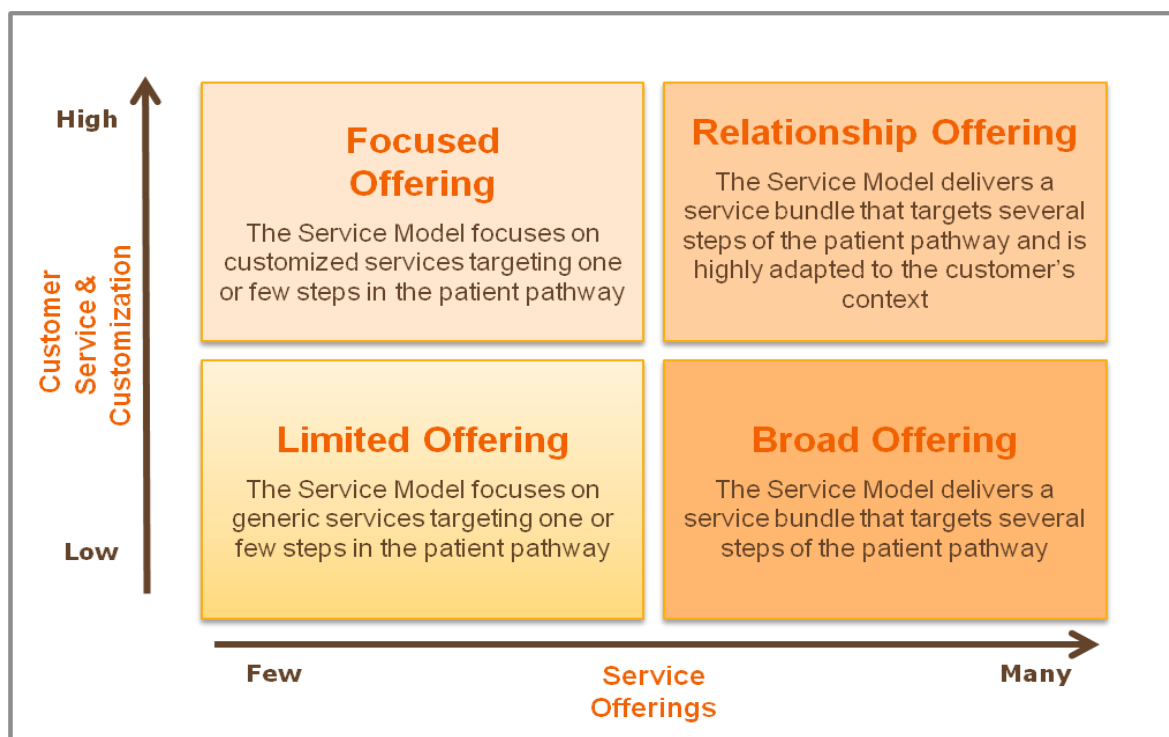


Figure 16 Service Model Archetype, graphic belongs to Executive Insight

To test this model, the survey asked the participants for the depth and breadth of the service strategies provided by their companies. However, no trend in one particular direction could be seen. The main reason given was that services are highly product specific. 99% of participants agreed that service design is depending on the therapeutic area. Indications with a narrow target population (e.g. oncology, orphan diseases) would more likely afford customized services than wider groups as for example diabetes, where universal services for a greater population are likely to be more efficient. Also complex diseases would more likely require broader and more complex



services (e.g. cancers or metabolic disorders), due to more complex treatment plans and the far-reaching implications on a patients live.

### **9.1.4 Hurdles in developing and implementing service strategies**

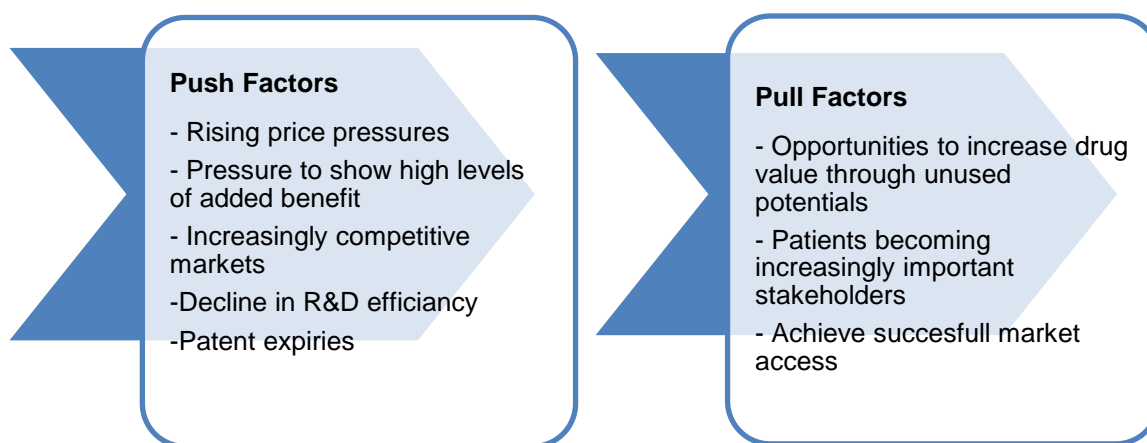
Service strategies “beyond the pill” are a relatively new concept within the pharmaceutical industry. Currently the structures within the company, but also amongst stakeholders, are not adequate enough to show a service strategy’s full potential and many hurdles are likely to occur. The company’s management needs to be assured and convinced of the benefits a service strategy can yield and stakeholders’ trust needs to be gained. A significant structural flaw is the lack of incentives for pharmaceutical companies to develop innovative services, as for example a patent protection for services or awards for high quality services. This encourages a “wait-and-see” attitude, as companies, from their current point of view, might fear that the risk of failure might not be worth the possible gains. They might wait and observe competitors actions and only start acting once and according to competitors’ first advances. A protection of innovative services could encourage creative approaches and thus also increase the quality of services provided.

Demonstrating a positive return on investment is the most difficult challenge as indicated by the respondents. The difficulties are described in detail in chapter 6.2. Isolating the impact of single services and giving soft outcomes a monetary value are major hurdles. Services targeted at patients cannot be linked to sales in most countries at all, due to advertising prohibitions for prescription drugs. Respondents therefore expressed their believe that the current pharmaceutical business model would not yet be adjusted for service strategies, as the value of a service could not be measured within current structures. Classical return on investment measurement is complicated by the difficulty of capturing long term effects, isolating single service effects, access to sensitive data and legal restrictions in profit measurement.

As it was shown, value-added services can be of benefit to all partners, but one significant hurdle is a lack of trust towards the pharmaceutical industry. Services provided by the industry are suspected to be another hidden form of marketing or to cover hidden price inflations in price negotiations with payers (Ruzicic / Flostrand 2011, 33). It might take some time and efforts to achieve stakeholders’ trust, but current trends like the industries increasing commitment in transparency and the increasing number of private-public-partnerships with the pharmaceutical industry seem promising (Buzzeo 2012).

### 9.1.5 Outlook

Many trends indicate an increasing importance of service strategies “beyond the pill” in the future (see Fig. 17). Stricter pricing and reimbursement procedures, increasingly competitive markets, a decline in drug discovery and patent expiries pose major challenges the pharmaceutical industry will need to adapt to. Implementing service strategies to enhance the value of a product can for several reasons seem promising to a company.



**Figure 17 Push and pull factors for the implementation of service strategies**

A service strategy can optimize the value of a drug by finding solutions for inefficiencies in the patient pathway, it can bind patients, who are gaining increasing sovereignty and be included in the value proposition of a product to secure a successful market access.

Respondents of the survey mentioned pharmaceutical companies’ hesitation to act and wait until service strategies are demanded by payers. This could be an interesting strategic point for payers or governments. Giving incentives for the pharmaceutical industry to provide high quality services that they would also profit from (e.g. through patents for services or awards for most effective services), can be of benefit for all parties. It is expected that there will be an increased cooperation between payer bodies and the industry. Reasons for this trend, from the point of view of payers, are rising cost pressures or the possibility to achieve price and quality benefits through cooperation. Pharmaceutical companies on the other hand can secure the reimbursement of their innovations (Dietrich 2008, 30).

### 9.1.6 Recommendations for action

#### **Recommendations for the Pharmaceutical Industry**

- The industry should become more aware of the potentials for added value to a drug that can be exploited by targeting unmet needs.
- These potentials can be exploited very early, already in the pre-launch phase, to maximize the outcomes of a product.
- An in-depth analysis of the patient pathway should be conducted before the development of a service strategy to uncover all essential areas for improvement. Expertise in the fields of market research, social science and psychology thus is crucial to achieve a solid understanding of the patient pathway.
- Service strategies require multidisciplinary thinking and expertise. Therefore, a dedicated cross functional should be established. This, in practice, can prove to be difficult. Therefore, solid team and project management skills are required.
- New technologies provide new opportunities for services. They might be expensive but can prove to be effective. It should be assessed whether services for a product might be supported with new technologies and whether these are as cost-effective as promised.
- As service provision might come close to the field of marketing and its legal restrictions, it is recommendable to work closely with legal and compliance experts.
- The measurement of return on investment is difficult or impossible in some areas. However, program evaluation should still be conducted, but concentrating on health related rather than financial outcomes to demonstrate a service's value in front of the company and customer.
- Since cooperation with key stakeholders can improve the quality and acceptance of services, it is recommendable to pursue a good partnership, for example, by increasing transparency.

#### **Recommendations for Governments and Payers**

- Strategies “beyond the pill” have the potential to improve health care. They can increase drug efficacy and safety by improving adherence, proper usage and cor-

rect prescriptions, causing lower costs and less waste through inefficient treatments.

- It should be in the interest of governments and payers to support high-quality services, which can demonstrate positive effects on health care, by creating a service friendly environment.
  - As cooperation in the service design and implementation can increase the quality of services, the willingness to partner with pharmaceutical companies should be advanced.
- To secure high-quality services, incentives for effective and innovative services should be created.
  - This can be achieved by a protection of innovative services through patents,
  - or by supporting innovations through awards.

### **9.2 Public health aspects**

Pharmaceutical companies are influential players in the field of health care and changes in their business policies affect public health. This chapter will discuss the positive and negative outcomes service strategies “beyond the pill” can have on public health.

At first glance, it might seem to be a positive trend that pharmaceutical companies are beginning to strengthen their concentration on patient needs and to provide more effective health care. Disease management, enhanced adherence or improved diagnosis can have a positive effect on the overall health care when treatment gets more efficient and safer. As insufficient treatment compliance and failed treatment cause a significant welfare loss through wasted means and complications, engagement in this area, therefore, is of benefit for governments, payers and the patients. Same goes for the current trend of an increasing degree of transparency pharmaceutical companies are committing to, both voluntarily and per law. Transparency of financial flows to physicians or patient organizations, and in terms of clinical research, supports an unbiased decision-making of stakeholders and hinders unfair practices. However, there are some trends that need to be watched more cautiously. Pharmaceutical companies’ engagement in patient matters is acceptable as long as it is for the benefit for the individual patients (by for example optimizing the treatment) and not

for the aim of increasing prescriptions or sales, as that in many cases would also be against the law.

As financial means for health care are limited, the best treatments, seen from a public health perspective, are those showing most value for least money. Cost-effective services that improve health outcomes, avert costs of failed treatments or risk-sharing offerings to payers are in this regard a positive trend.

An ethical aspect comes up when it comes to patient surveillance. Data protection must always be guaranteed. Several gadgets have been invented to monitor a patient's adherence to treatment and to inform physicians or potentially someday even payers. The patient is receiving a treatment, paid by his insurance, and can influence the treatment efficacy through the correct intake of a drug. The costs incurred through non-compliance, however, do not only affect the patient but the whole collective that is funding the payer. It should, however, be critically assessed if patients for this reason should be monitored on how they behave in their private environment, especially since studies indicate that adherence is best to be targeted with a "blame-free" environment and education (Brown / Bussel 2011, 305).

### **9.3 Limitations**

The study has been conducted from the point of view of pharmaceutical companies. How services strategies are perceived by stakeholders, to what extent they profit from them, and whether the prices for products including service strategies are justified requires separate analysis.

The findings of the survey presented in this thesis further only represent the opinion of a small group within the pharmaceutical industry, and may be biased by selection criterions. The respondents were not randomly chosen. Email contacts were sent out to chosen experts and the online invitations were posted in groups related to service strategies, marketing or sales. It is also likely that people positively interested in this field were more likely to participate, not least because the results were promised to be sent to all respondents. The awareness and the perceived importance of service strategies beyond the pill, thus, are likely to be lower in the whole industry, as indicated by the survey results.

## **10 Conclusion**

This paper's aim is to assess through quantitative and literature research how services currently are or in the near future will be integrated into the pharmaceutical business model and thus how and if industry is moving from product-centricity to value-added services.

Indeed, many factors are indicating a service-orientated future. Both the literature research and the survey revealed that service strategies will gain importance. However, there are still multiple challenges to overcome. Legal restrictions, difficulties in measuring return on investment, conservative business philosophies and mistrust towards the pharmaceutical industry are factors slowing the advance of service strategies. Effective service strategies can be of benefit for pharmaceutical companies and their stakeholders by exploiting unused potentials in health care. However, there are still some changes needed - within the companies as well as in their social and legal surroundings - to achieve a service friendly and cooperative environment with good incentives for innovative and high quality services.

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**Eidesstattliche Erklärung**

„Ich versichere, dass ich vorliegende Arbeit ohne fremde Hilfe selbständig verfasst und nur die angegebenen Hilfsmittel benutzt habe. Wörtlich oder dem Sinn nach aus anderen Werken entnommene Stellen sind unter Angabe der Quelle kenntlich gemacht.“

Hamburg, 05.06.2013

\_\_\_\_\_  
Ort, Datum

\_\_\_\_\_  
Unterschrift

## **Appendix**

### Cover Letters of Survey Invitation

- Email Invitations
- InMail Invitations
- Online Postings

### The Questionnaire

### Complete Results of the Survey

## 1. Survey Invitations

### 1. Cover Letter to Email Contacts

Dear [...],

*My name is Nathalie Henne. I am a student at the Hamburg University of Applied Sciences. I am conducting a survey on value added service strategies in the pharmaceutical industry as part of my master thesis in collaboration with Executive Insight, a specialist health care consultancy.*

*[...] suggested contacting you, as based on your position we believe your opinion to be valuable for the research.*

*As the conditions for marketing pharmaceuticals have changed over the past years, new business strategies, like services strategies beyond the pill, have been developed and implemented.*

*With this research I would like to gather further insight into these service strategies and investigate the current position of the industry and the expectations around how service strategies will evolve.*

*I kindly ask you to take 15 to 20 minutes to complete the survey. Results remain anonymous. If you would like to receive a copy of the results, there is the possibility to leave your email. If you wish to participate, just follow the link to the online survey: [Link]*

*Kind regards,*

*Nathalie Henne*

*Please note: This link is uniquely tied to this survey and your email address. Please do not forward this message. If you do not wish to receive further emails from us, please click the link below, and you will be automatically removed from our mailing list. [Drop-Out Link]*

### 2. Cover Letter for InMails send out to LinkedIn Group Members

Dear [...],

*My name is Nathalie Henne. I am a student at the Hamburg University of Applied Sciences. I am conducting a survey on value added service strategies in the pharmaceutical industry as part of my thesis in collaboration with Executive Insight, specialists in health care consultancy.*

*As a member of the "Beyond the Pill" group and based on your position, I would like to invite you to participate in this survey as I believe your opinion to be valuable for the research.*

*The survey assesses the current and future importance of service strategies “beyond the pill”, how they are organized and implemented, as well as the key challenges.*

*It will take 15 to 20 minutes to complete the survey. The results remain anonymous. If you would like to receive a copy of the results, there is the possibility to leave your email. If you wish to participate, just follow the link to the online survey:*  
<https://www.surveymonkey.com/s/beyondthepill>

*Kind regards,*

*Nathalie Henne*

### **3. Cover Letter for Online Postings**

#### **Survey on Strategies Beyond the Pill – Where do we stand, where will we go?**

*I would like to invite you to participate in an interesting survey on value added service strategies in the pharmaceutical industry.*

*- Are you working in pharma?*

*- Are you involved in service offerings or the commercialization of products?*

*Then please follow the following link to be part of the research:*

<https://www.surveymonkey.com/s/beyondthepill>

*This research is part of a thesis for the Hamburg University of Applied Sciences in collaboration with Executive Insight, specialists in health care consultancy. Results remain anonymous. All participants will receive a copy of the results via email, when wished.*

*Thank you very much for your support!*



# 1.

Thank you for agreeing to take part in this survey. My name is Nathalie Henne and this research is part of my master thesis for the Hamburg University of Applied Sciences in collaboration with Executive Insight, a specialist in health care consultancy.

This survey assesses the current situation of service strategies "beyond the pill" - strategically designed offerings to address stakeholders' needs along the entire patient pathway.

This survey addresses experts working in the pharmaceutical industry and its aim is to put some light on the current and future importance of service strategies "beyond the pill", how they are organized and implemented, as well as their key challenges.

It will take about 15 to 20 minutes to fill out the questionnaire. Results remain anonymous. If wished, a copy of the results will be sent to you per email.

Please click "next" to start.

## 2. General Information

### \*1. What is the area of your work?

- Branded ethical products
- Generics
- OTC
- Medical devices
- Diagnostics
- Consultancy
- Other (please specify)

### \*2. What is the focus of your work?

- Marketing
- Sales
- Market Access
- Business Development
- New Product Planning
- Medical Affairs
- General Management
- Other (please specify)

### \*3. What is the geographic scope of your work?

- Global
- National
- Regional
- If national or regional, please specify (e.g. USA, Germany, Eastern Europe):

### 3. Current Situation

**\*4. In the following, several arguments for the need of new business strategies of pharmaceutical companies are named. Do you agree or disagree with them?**

	I absolutely agree	I agree	I disagree	I absolutely disagree	I do not know
Rising price pressure requires new business strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unmet needs leave significant opportunities for improved care	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The sustainability of the traditional "pill alone" business model is uncertain	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Patients are increasingly informed about their health and treatment options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New barriers in market access require higher levels of added value of a drug	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Drugs alone will no longer be the sole source of differentiation in crowded markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The access to healthcare stakeholders (e.g. KOLs, academic institutions) has become increasingly difficult	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 4. Service Strategies Beyond the Pill

The following questions will relate to service strategies “beyond the pill”. With this we mean a strategy for combining service offerings with a product or portfolio of products targeting stakeholder needs along the patient pathway, supporting better health outcomes while at the same time providing a source of competitive advantage.

**\*5. Keeping the definition in mind, how important do you think having a service strategy “beyond the pill” is now?**

- Crucial
- Important
- Somewhat important
- Not important

**\*6. How important do you think having a service strategy “beyond the pill” is going to be in 3 years from now?**

- Crucial
- Important
- Somewhat important
- Not important

**\*7. Does your company have service strategies “beyond the pill”?**

- Yes, for all our products
- Yes, for selected products
- There are plans to develop service strategies
- No service strategies are in place
- I do not know

## 5. Development and Implementation of Strategies Beyond the Pill

### \*8. What are the goals of your company's service strategies? (Select all that apply)

- Increase sale and revenues
- Protect market shares
- Achieve market access
- Achieve target pricing
- Gain in company's image
- Other (please specify)

### \*9. Are external partners involved in your company's development and implementation of service strategies?

- Yes, external partner are involved.
- No, external partners are not involved.
- I do not know.

### 10. If yes, which ones are involved? (If no, please continue with the next question)

- Technology providers
- Creative agencies
- Business consultants
- Health care provider
- Other (please specify)

### \*11. How would you rate the extent of services within your company's service strategies?

- Services target many steps in the patient pathway
- Services target a few steps in the patient pathway
- Services target one step in the patient pathway
- I do not know

### \*12. How would you rate the design of services within your company's service strategies?

- Services are mainly universal (one-size-fits-all)
- Services are a mixture of universal and customized offerings
- Services are mainly customized
- I do not know

**\*13. Do you believe the therapeutic area influences the extent and design of a service strategy as outlined in the previous two questions?**

- Yes, the therapeutic area influences the extent and design of a service strategy
- No, the therapeutic area does not influence the extent and design of a service strategy

**14. Can you please elaborate on the answer given before?**

**\*15. Which perspective does your company use as a starting point when defining the service strategy? (Select all that apply)**

- Patient perspective
- Health care profession perspective
- Payer perspective
- Product perspective
- Disease perspective
- Competitor actions
- I do not know
- Other (please specify)

**\*16. What kind of services does your company offer as part of a strategy “beyond the pill”? (Select all that apply)**

**Services to...**

- promote awareness of the disease
- improve diagnosis of the disease
- facilitate access to the product
- support treatment choice
- provide education/ training on usage of the product
- help living with the disease
- monitor health outcomes
- optimise care processes
- ensure adherence / compliance
- Other (please specify)

**\*17. In your company, what were the most common trigger for the start of the development of a service strategy? (Select all that apply)**

- Design of phase 3 trial
- Launch preparation
- Challenges in market access
- Uptake lower than expected
- Competitive entry
- Generic entry
- I do not know

**\*18. In your company, which function is primarily responsible for leading the definition of a strategy around services “beyond the pill”?**

- Marketing
- Sales
- Market Access
- Business development
- New product planning
- Medical Affairs
- A cross functional team
- No department (yet)
- I do not know
- Other (please specify)

**\*19. In your opinion, which function within an organisation should be primarily responsible for leading the definition of a strategy around services “beyond the pill”?**

- Marketing
- Sales
- Market Access
- Business development
- New product planning
- Government Affairs
- Medical Affairs
- A cross functional team
- Other (please specify)

## 6. Involvement of Customers

**\*20. In your company, how are key customers involved in the design of services (in the majority on cases)?**

	Actively involved (e.g. co-creation)	Selectively involved (e.g. in advisory board)	Indirectly involved (e.g. through market research)	Not involved	I do not know
Patients / care givers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prescribing health care professionals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-prescribing health care professionals (e.g. nurses, dieticians)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pharmacists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Policy makers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*21. In your opinion, which audiences are important to provide services for?**

	Very important	Important	Slightly important	Not important at all
Patients/ care givers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prescribing health care professionals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Non-prescribing health care professionals (e.g. nurses, dieticians)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pharmacists	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Policy makers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**\*22. Do you believe that the therapeutic area influences the choice of the most important audiences in the selection of services?**

- Yes, the therapeutic area influences the choice of audience in the selection of services
- No, the therapeutic area does not influence the choice of audience in the selection of services

**23. Can you please elaborate on the answer given before?**



## 7. Key Challenges for Service Development

**\*24. What hurdles does your organisation face when considering to develop a service strategy “beyond the pill“? (Select all that apply)**

- Weak evidence for return on investment
- Lack of leadership engagement
- Lack of clarity on roles & responsibilities within organisation
- Compliance / legal restrictions
- Unwillingness of customers to partner with pharma
- Not applicable / I do not know
- Other (please specify)

## 8. Type of Services

**\*25. How would you rate the importance of the following categories in which one can provide services?**

	Very important	Important	Slightly important	Not important at all
Awareness of disease	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Diagnostic accuracy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Patient access to therapy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Treatment decision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education/ training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lifestyle/ peer-to-peer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Process optimization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adherence/ compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 9. Strategies Beyond the Pill and Return on Investment

**\*26. How would you rank the importance of the following metrics to determine the impact of services “beyond the pill”? (1=most important to 5= least important)**

**Note: Select the rank you like to give each answer from the drop down box left to each answer. The answers will then automatically switch positions.**

<input type="text"/>	Number of prescriptions	<input type="checkbox"/> N/A
<input type="text"/>	Objective outcomes (e.g. increase in diagnostic rates, adherence)	<input type="checkbox"/> N/A
<input type="text"/>	Subjective outcomes (e.g. satisfaction, confidence)	<input type="checkbox"/> N/A
<input type="text"/>	Uptake of services (e.g. App downloads, registrations to a program)	<input type="checkbox"/> N/A
<input type="text"/>	Improvement in company image	<input type="checkbox"/> N/A
<input type="text"/>	Market access success (e.g. product in formulary, target price achieved)	<input type="checkbox"/> N/A

**27. Are there further metrics you think to be important to consider to determine the impact of services “beyond the pill”, besides those mentioned in the previous question?**

**28. What is the biggest challenge to determine the impact of services “beyond the pill”?**

## 10. Final Questions

**29. Do you have experience or comments on service strategies “beyond the pill” you would like to share?**

**11.**

Thank you for completing this survey! For more information please visit [executiveinsight.ch](http://executiveinsight.ch).

**30. To receive a copy of the results first via email enter your details below:**

**31. Please share your feedback on this survey:**

## Q1 What is the area of your work?

Answered: 59 Skipped: 0

Answer Choices	Responses
Branded ethical products	100% 59
Generics	0% 0
OTC	0% 0
Medical devices	0% 0
Diagnostics	0% 0
Consultancy	0% 0
Other (please specify)	0% 0
<b>Total</b>	<b>59</b>

#	Other (please specify)	Date
	There are no responses.	

## Q2 What is the focus of your work?

Answered: 59 Skipped: 0

Answer Choices	Responses	
Marketing	32.20%	19
Sales	23.73%	14
Market Access	8.47%	5
Business Development	10.17%	6
New Product Planning	0%	0
Medical Affairs	5.08%	3
General Management	8.47%	5
Other (please specify)	11.86%	7
<b>Total</b>		<b>59</b>

#	Other (please specify)	Date
1	Health Management / Politics	8/13/2013 2:48 PM
2	Business Development, New Product Planning and Business Intelligence	8/5/2013 12:13 PM
3	marketing & sales & Bus Dev	7/26/2013 4:24 PM
4	Business Insights	7/18/2013 11:23 AM
5	Marketing & Sales	7/17/2013 2:51 PM
6	Competitive strategy - mix of medical, marketing and strategy	7/16/2013 3:55 PM
7	Medical Education	7/16/2013 2:11 PM

### Q3 What is the geographic scope of your work?

Answered: 59 Skipped: 0

Answer Choices	Responses
Global	25.42% 15
National	45.76% 27
Regional	27.12% 16
If national or regional, please specify (e.g. USA, Germany, Eastern Europe):	40.68% 24
<b>Total Respondents: 59</b>	

#	If national or regional, please specify (e.g. USA, Germany, Eastern Europe):	Date
1	UK	9/2/2013 1:39 PM
2	Uk	8/20/2013 2:45 PM
3	Belgium	8/19/2013 3:45 PM
4	Germany	8/13/2013 2:48 PM
5	Japan	8/12/2013 4:32 AM
6	EEME and A plus UK and ROI	8/6/2013 12:41 PM
7	Germany	8/5/2013 3:56 PM
8	China (previously global and recently Canada)	8/5/2013 12:13 PM
9	Europe	8/5/2013 10:51 AM
10	North Africa	8/2/2013 1:36 PM
11	Germany	7/31/2013 11:17 AM
12	Southern Europe	7/30/2013 5:05 PM
13	Russia	7/29/2013 1:14 PM
14	Netherlands	7/26/2013 4:24 PM
15	EU & Eastern Europe	7/22/2013 4:19 PM
16	Switzerland	7/18/2013 11:23 AM
17	Germany	7/17/2013 2:51 PM
18	Philippines	7/17/2013 2:32 PM
19	between eastern Swiss border and Georgia and southern Polish border and northern Greek border	7/16/2013 10:07 PM
20	Greece	7/16/2013 8:57 PM
21	Germany	7/16/2013 2:18 PM
22	Europe	7/16/2013 2:11 PM
23	Australia	7/16/2013 3:09 AM
24	Greece	7/15/2013 11:12 PM



**Q4 In the following, several arguments for the need of new business strategies of pharmaceutical companies are named. Do you agree or disagree with them?**

Answered: 53 Skipped: 6

	I absolutely agree	I agree	I disagree	I absolutely disagree	I do not know	Total
Rising price pressure requires new business strategies	<b>66.04%</b> 35	<b>28.30%</b> 15	<b>3.77%</b> 2	<b>1.89%</b> 1	<b>0%</b> 0	53
Unmet needs leave significant opportunities for improved care	<b>43.40%</b> 23	<b>50.94%</b> 27	<b>1.89%</b> 1	<b>1.89%</b> 1	<b>1.89%</b> 1	53
The sustainability of the traditional "pill alone" business model is uncertain	<b>32.08%</b> 17	<b>47.17%</b> 25	<b>11.32%</b> 6	<b>1.89%</b> 1	<b>7.55%</b> 4	53
Pharma increasingly committed to focus on patients needs (and less on profit)	<b>0%</b> 0	<b>50%</b> 1	<b>50%</b> 1	<b>0%</b> 0	<b>0%</b> 0	2
Patients are increasingly informed about their health and treatment options	<b>39.62%</b> 21	<b>43.40%</b> 23	<b>15.09%</b> 8	<b>1.89%</b> 1	<b>0%</b> 0	53
New barriers in market access require higher levels of added value of a drug	<b>54.72%</b> 29	<b>35.85%</b> 19	<b>7.55%</b> 4	<b>1.89%</b> 1	<b>0%</b> 0	53
Drugs alone will no longer be the sole source of differentiation in crowded markets	<b>43.40%</b> 23	<b>49.06%</b> 26	<b>1.89%</b> 1	<b>3.77%</b> 2	<b>1.89%</b> 1	53
The access to healthcare stakeholders (e.g. KOLs, academic institutions) has become increasingly difficult	<b>16.98%</b> 9	<b>43.40%</b> 23	<b>32.08%</b> 17	<b>5.66%</b> 3	<b>1.89%</b> 1	53

**Q5 Keeping the definition in mind, how important do you think having a service strategy “beyond the pill” is now?**

Answered: 52 Skipped: 7

Answer Choices	Responses	
Crucial	32.69%	17
Important	53.85%	28
Somewhat important	11.54%	6
Not important	1.92%	1
<b>Total</b>		<b>52</b>

**Q6 How important do you think having a service strategy “beyond the pill” is going to be in 3 years from now?**

Answered: 52 Skipped: 7

Answer Choices	Responses	
Crucial	51.92%	27
Important	40.38%	21
Somewhat important	7.69%	4
Not important	0%	0
<b>Total</b>		<b>52</b>

**Q7 Does your company have service strategies “beyond the pill”?**

Answered: 52 Skipped: 7

Answer Choices	Responses	
Yes, for all our products	13.46%	7
Yes, for selected products	63.46%	33
There are plans to develop service strategies	17.31%	9
No service strategies are in place	5.77%	3
I do not know	0%	0
<b>Total</b>		<b>52</b>

## Q8 What are the goals of your company's service strategies? (Select all that apply)

Answered: 47 Skipped: 12

Answer Choices	Responses
Increase sale and revenues	82.98% 39
Protect market shares	61.70% 29
Achieve market access	61.70% 29
Achieve target pricing	21.28% 10
Gain in company's image	65.96% 31
Other (please specify)	17.02% 8
<b>Total Respondents: 47</b>	

#	Other (please specify)	Date
1	Provide solutions to HCPs and healthcare authorities	8/10/2013 9:36 PM
2	Increase market share	8/8/2013 11:35 AM
3	Successful launch of new products to fill patent gap	8/5/2013 12:21 PM
4	Better health outcomes	7/31/2013 3:33 PM
5	Advocacy	7/18/2013 9:31 PM
6	save patients' lives	7/16/2013 10:13 PM
7	improve patient experience on our pills, hence increase compliance, hence increase outcomes	7/16/2013 1:41 PM
8	Improve health outcomes	7/16/2013 3:17 AM

**Q9 Are external partners involved in your company's development and implementation of service strategies?**

Answered: 47 Skipped: 12

Answer Choices	Responses	
Yes, external partner are involved.	76.60%	36
No, external partners are not involved.	19.15%	9
I do not know.	4.26%	2
<b>Total</b>		<b>47</b>

### Q10 If yes, which ones are involved? (If no, please continue with the next question)

Answered: 39 Skipped: 20

Answer Choices	Responses
Technology providers	56.41% 22
Creative agencies	56.41% 22
Business consultants	56.41% 22
Health care provider	51.28% 20
Other (please specify)	12.82% 5
<b>Total Respondents: 39</b>	

#	Other (please specify)	Date
1	Universities, Hospital and Service providers	8/23/2013 1:36 PM
2	patient associations	8/8/2013 11:35 AM
3	Pharmacies	8/5/2013 1:54 PM
4	Distributors	7/17/2013 3:50 PM
5	patient advocacy groups, HCPs associations	7/16/2013 1:41 PM

### Q11 How would you rate the extent of services within your company's service strategies?

Answered: 47 Skipped: 12

Answer Choices	Responses	
Services target many steps in the patient pathway	17.02%	8
Services target a few steps in the patient pathway	65.96%	31
Services target one step in the patient pathway	12.77%	6
I do not know	4.26%	2
<b>Total</b>		<b>47</b>



## Q12 How would you rate the design of services within your company's service strategies?

Answered: 47 Skipped: 12

Answer Choices	Responses	
Services are mainly universal (one-size-fits-all)	12.77%	6
Services are a mixture of universal and customized offerings	57.45%	27
Services are mainly customized	27.66%	13
I do not know	2.13%	1
<b>Total</b>		<b>47</b>

**Q13 Do you believe the therapeutic area influences the extent and design of a service strategy as outlined in the previous two questions?**

Answered: 47 Skipped: 12

Answer Choices	Responses	
Yes, the therapeutic area influences the extent and design of a service strategy	97.87%	46
No, the therapeutic area does not influence the extent and design of a service strategy	2.13%	1
<b>Total</b>		<b>47</b>

## Q14 Can you please elaborate on the answer given before?

Answered: 24 Skipped: 35

#	Responses	Date
1	not all patients are equally engaged due to their illness	9/5/2013 3:52 PM
2	more complex diseases require more extensive and complex services e.g. oncology, diabetes, metabolic disorders, orphan diseases	8/23/2013 1:36 PM
3	More relevant in severe / chronic diseases	8/22/2013 2:13 PM
4	1:1 marketing strategies	8/10/2013 11:00 AM
5	depending on the disease , patients need diffeent services and info	8/8/2013 11:35 AM
6	if the pill is innovative enough, the old way works	8/7/2013 6:49 PM
7	The complexity of the service and the "need" for service strategy varies from 1 disease to the next	8/6/2013 7:06 PM
8	example: It's more important for devices, where selling model is B2B like	8/6/2013 7:48 AM
9	For disease areas with simple patient managent pathways service strategies tend to be easier to execute and measure as compared to complex multifactorial disease areas where there are multiple 'touchpoints' with patients and multiple healthcare professionals treating them with multiple products in no particular fixed pattern i.e. diabetes	8/5/2013 6:46 PM
10	service strategies relate to administration of drugs, compliance issue, therapy management etc	8/5/2013 4:02 PM
11	High value TAs/drugs have higher marketing budgets and product profitability can carry service costs, since so far service cost are considered marketing costs that are not (cannot???) be spilled over on Patients or Payers	8/5/2013 12:21 PM
12	Through potential training and add on services	8/2/2013 4:09 PM
13	Common unmet needs across certain disease areas can be clustered together, and hence have the same design of a service strategy. For others, such as oncology, a service strategy cannot be universal. It also depends on the market environment.	8/2/2013 1:45 PM
14	Value added services strategies are different depending on the type of patient (chronic vs acute), competitors, uniqueness of the product/unmet need, plus positioning of the company in the market	7/30/2013 5:12 PM
15	NA	7/26/2013 4:29 PM
16	Specific to service re-design	7/22/2013 4:23 PM
17	Difference between specialty, primary care. Orphan disease might need different approach. Communicable va non-communicablevdiseases will influence relevance of service strategy	7/18/2013 9:31 PM
18	different needs	7/18/2013 11:33 AM
19	Each therapeutic area will have a different business model thus service strategy may vary	7/17/2013 3:50 PM
20	Some indications have better visibility, funding and therefore do not need as much added services	7/17/2013 2:55 PM
21	disease state limits the extent and sort of services	7/16/2013 10:13 PM
22	Yes but not just in one line of text	7/16/2013 3:59 PM
23	of course it does - cf you need to start from current offering in every TA and then see what are the needs to improve patient care; then only frame a potential beyond the pill strategy	7/16/2013 1:41 PM
24	Patients and payers have different needs and the competitive environment differs	7/16/2013 3:17 AM

**Q15 Which perspective does your company use as a starting point when defining the service strategy? (Select all that apply)**

Answered: 47 Skipped: 12

Answer Choices	Responses	
Patient perspective	87.23%	41
Health care profession perspective	80.85%	38
Payer perspective	61.70%	29
Product perspective	42.55%	20
Disease perspective	36.17%	17
Competitor actions	27.66%	13
I do not know	0%	0
Other (please specify)	2.13%	1
<b>Total Respondents: 47</b>		

#	Other (please specify)	Date
1	Multiple stakeholder view	8/5/2013 12:21 PM

**Q16 What kind of services does your company offer as part of a strategy “beyond the pill”? (Select all that apply)**  
**Services to...**

Answered: 47 Skipped: 12

Answer Choices	Responses	
promote awareness of the disease	65.96%	31
improve diagnosis of the disease	65.96%	31
facilitate access to the product	51.06%	24
support treatment choice	40.43%	19
provide education/ training on usage of the product	80.85%	38
help living with the disease	57.45%	27
monitor health outcomes	46.81%	22
optimise care processes	51.06%	24
ensure adherence / compliance	61.70%	29
Other (please specify)	2.13%	1
<b>Total Respondents: 47</b>		

#	Other (please specify)	Date
1	we would like to move in to proving better outcomes but this is currently proving difficult	8/5/2013 6:46 PM

**Q17 In your company, what were the most common trigger for the start of the development of a service strategy? (Select all that apply)**

Answered: 47 Skipped: 12

Answer Choices	Responses	
Design of phase 3 trial	12.77%	6
Launch preparation	61.70%	29
Challenges in market access	48.94%	23
Uptake lower than expected	31.91%	15
Competitive entry	38.30%	18
Generic entry	25.53%	12
I do not know	4.26%	2
<b>Total Respondents: 47</b>		

**Q18 In your company, which function is primarily responsible for leading the definition of a strategy around services “beyond the pill”?**

Answered: 47 Skipped: 12

Answer Choices	Responses	
Marketing	51.06%	24
Sales	4.26%	2
Market Access	0%	0
Business development	2.13%	1
New product planning	2.13%	1
Medical Affairs	4.26%	2
A cross functional team	31.91%	15
No department (yet)	0%	0
I do not know	2.13%	1
Other (please specify)	2.13%	1
<b>Total</b>		<b>47</b>

#	Other (please specify)	Date
1	New department specifically designed for this purpose	8/22/2013 2:13 PM

**Q19 In your opinion, which function within an organisation should be primarily responsible for leading the definition of a strategy around services “beyond the pill”?**

Answered: 50 Skipped: 9

Answer Choices	Responses	
Marketing	22%	11
Sales	2%	1
Market Access	8%	4
Business development	2%	1
New product planning	6%	3
Government Affairs	0%	0
Medical Affairs	2%	1
A cross functional team	58.00%	29
Other (please specify)	0%	0
<b>Total</b>		<b>50</b>

#	Other (please specify)	Date
	There are no responses.	



## Q20 In your company, how are key customers involved in the design of services (in the majority on cases)?

Answered: 50 Skipped: 9

	Actively involved (e.g. co-creation)	Selectively involved (e.g. in advisory board)	Indirectly involved (e.g. through market research)	Not involved	I do not know	Total
Patients / care givers	6% 3	30% 15	38% 19	24% 12	2% 1	50
Prescribing health care professionals	20% 10	56.00% 28	16% 8	4% 2	4% 2	50
Non-prescribing health care professionals (e.g. nurses, dieticians)	4% 2	38% 19	36% 18	20% 10	2% 1	50
Payers	6% 3	34% 17	24% 12	30% 15	6% 3	50
Pharmacists	4% 2	22% 11	30% 15	36% 18	8% 4	50
Policy makers	0% 0	30% 15	14.00% 7	40% 20	16% 8	50

## Q21 In your opinion, which audiences are important to provide services for?

Answered: 50 Skipped: 9

	Very important	Important	Slightly important	Not important at all	Total
Patients/ care givers	<b>70%</b> 35	<b>24%</b> 12	<b>2%</b> 1	<b>4%</b> 2	50
Prescribing health care professionals	<b>66%</b> 33	<b>28.00%</b> 14	<b>6%</b> 3	<b>0%</b> 0	50
Non-prescribing health care professionals (e.g. nurses, dieticians)	<b>30%</b> 15	<b>36%</b> 18	<b>28.00%</b> 14	<b>6%</b> 3	50
Payers	<b>42%</b> 21	<b>30%</b> 15	<b>18%</b> 9	<b>10%</b> 5	50
Pharmacists	<b>16%</b> 8	<b>42%</b> 21	<b>38%</b> 19	<b>4%</b> 2	50
Policy makers	<b>28.00%</b> 14	<b>14.00%</b> 7	<b>38%</b> 19	<b>20%</b> 10	50

**Q22 Do you believe that the therapeutic area influences the choice of the most important audiences in the selection of services?**

Answered: 50 Skipped: 9

Answer Choices	Responses	
Yes, the therapeutic area influences the choice of audience in the selection of services	94%	47
No, the therapeutic area does not influence the choice of audience in the selection of services	6%	3
I do not know	0%	0
<b>Total</b>	<b>50</b>	

## Q23 Can you please elaborate on the answer given before?

Answered: 17 Skipped: 42

#	Responses	Date
1	unmet need varies	9/5/2013 3:52 PM
2	xxxlllllll	8/23/2013 2:02 PM
3	see above	8/23/2013 1:38 PM
4	Yes if it is aligned to priorities more likely to get senior healthcare professional buy in	8/20/2013 2:50 PM
5	it depends on the reimbursement and patient involvement in every country	8/8/2013 11:38 AM
6	some gateholders are more or less important in the decision making process, i.e. patient, pharmacist or non Rx professionals,	8/7/2013 6:53 PM
7	Some therapeutic areas have stronger clinical or payer leadership e.g. Oncology, policy makers and clinicians more than payers.	8/6/2013 7:08 PM
8	Some disease areas are more protocol driven than others which are more individual HCP choice driven	8/5/2013 6:47 PM
9	impact of services on all parties involved in treatment chain	8/5/2013 4:04 PM
10	In most cases though payers and policy makers should care about service offerings, they don't since they solely focus on health economics. Despite several years of industry efforts in most country this still prevails. However in some high value TAs, for example oncology, we have seen early patient programs (i.e. compassionate / individual support) to have a non quantifiable impact on for example earlier reimbursement.	8/5/2013 12:26 PM
11	Pending on product and what services are offered or could be	8/2/2013 4:11 PM
12	Just stated before	7/30/2013 5:13 PM
13	NA	7/26/2013 4:30 PM
14	Some diseases have wider stakeholder group that needs to be engaged	7/22/2013 4:25 PM
15	Each therapeutic segment has its own business model	7/17/2013 3:57 PM
16	the therapeutic area is the main identifier	7/16/2013 10:14 PM
17	The more challenging/competitive the environment the more effort is required to deliver additional value	7/16/2013 3:20 AM

**Q24 What hurdles does your organisation face when considering to develop a service strategy “beyond the pill“? (Select all that apply)**

Answered: 50 Skipped: 9

Answer Choices	Responses	
Weak evidence for return on investment	76%	38
Lack of leadership engagement	30%	15
Lack of clarity on roles & responsibilities within organisation	30%	15
Compliance / legal restrictions	68%	34
Unwillingness of customers to partner with pharma	42%	21
Not applicable / I do not know	2%	1
Other (please specify)	10%	5
<b>Total Respondents: 50</b>		

#	Other (please specify)	Date
1	commercial return difficult to quantify .liaising with the consumer has compliance barriers	8/20/2013 2:52 PM
2	Payers only (mainly) taking into account the lowest price	8/10/2013 11:02 AM
3	Challenge in creating true value add service	8/6/2013 7:08 PM
4	High complexity of implementation / time horizon	8/5/2013 1:56 PM
5	No payer/policy maker demand or reward for efforts.	8/5/2013 12:26 PM

## Q25 How would you rate the importance of the following categories in which one can provide services?

Answered: 50 Skipped: 9

	Very important	Important	Slightly important	Not important at all	Total
Awareness of disease	<b>36%</b> 18	<b>48%</b> 24	<b>12%</b> 6	<b>4%</b> 2	50
Diagnostic accuracy	<b>34%</b> 17	<b>54%</b> 27	<b>6%</b> 3	<b>6%</b> 3	50
Patient access to therapy	<b>54%</b> 27	<b>38%</b> 19	<b>8%</b> 4	<b>0%</b> 0	50
Treatment decision	<b>30%</b> 15	<b>58.00%</b> 29	<b>12%</b> 6	<b>0%</b> 0	50
Education/ training	<b>48%</b> 24	<b>42%</b> 21	<b>10%</b> 5	<b>0%</b> 0	50
Lifestyle/ peer-to-peer	<b>16%</b> 8	<b>52%</b> 26	<b>30%</b> 15	<b>2%</b> 1	50
Monitoring	<b>30%</b> 15	<b>52%</b> 26	<b>16%</b> 8	<b>2%</b> 1	50
Process optimization	<b>26%</b> 13	<b>46%</b> 23	<b>26%</b> 13	<b>2%</b> 1	50
Adherence/ compliance	<b>52%</b> 26	<b>40%</b> 20	<b>6%</b> 3	<b>2%</b> 1	50

**Q26 How would you rank the importance of the following metrics to determine the impact of services “beyond the pill”?**  
**(1=most important to 5= least important)**  
**Note: Select the rank you like to give each answer from the drop down box left to each answer. The answers will then automatically switch positions.**

Answered: 48 Skipped: 11

	1	2	3	4	5	6	N/A	Total	Average Ranking
Number of prescriptions	27.08% 13	20.83% 10	18.75% 9	12.50% 6	12.50% 6	6.25% 3	2.08% 1	48	4.19
Objective outcomes (e.g. increase in diagnostic rates, adherence)	37.50% 18	27.08% 13	14.58% 7	10.42% 5	8.33% 4	2.08% 1	0% 0	48	4.69
Subjective outcomes (e.g. satisfaction, confidence)	4.17% 2	12.50% 6	29.17% 14	16.67% 8	25% 12	10.42% 5	2.08% 1	48	3.21
Uptake of services (e.g. App downloads, registrations to a program)	8.33% 4	8.33% 4	22.92% 11	22.92% 11	16.67% 8	16.67% 8	4.17% 2	48	3.15
Improvement in company image	6.25% 3	4.17% 2	2.08% 1	18.75% 9	25% 12	41.67% 20	2.08% 1	48	2.19
Market access success (e.g. product in formulary, target price achieved)	16.67% 8	27.08% 13	12.50% 6	16.67% 8	8.33% 4	16.67% 8	2.08% 1	48	3.77

**Q27 Are there further metrics you think to be important to consider to determine the impact of services “beyond the pill”, besides those mentioned in the previous question?**

Answered: 15 Skipped: 44

#	Responses	Date
1	no	8/23/2013 2:09 PM
2	pharmacoeconomic impact / total costs of treatment	8/23/2013 1:43 PM
3	care quality	8/22/2013 2:17 PM
4	Satisfied patients / Patients coping better with their disease	8/8/2013 11:40 AM
5	place on guidelines	8/5/2013 6:51 PM
6	market share gain	8/5/2013 4:07 PM
7	Change in drug evaluation process/ matrix to reflect overall treatment paradigm rather than just the pill	8/5/2013 12:32 PM
8	No	7/31/2013 1:38 PM
9	Press impact	7/30/2013 5:17 PM
10	na	7/26/2013 4:32 PM
11	The customer viewing you as a partner of choice	7/26/2013 12:59 PM
12	number of "me-toos" in the thearapeutic area	7/16/2013 10:19 PM
13	Intracompany satisfaction with the project	7/16/2013 9:13 PM
14	no	7/16/2013 1:45 PM
15	Company priorities and culture change	7/16/2013 3:26 AM



## Q28 What is the biggest challenge to determine the impact of services “beyond the pill”?

Answered: 23 Skipped: 36

#	Responses	Date
1	no	8/23/2013 2:09 PM
2	not easy to access measures	8/22/2013 2:17 PM
3	Healthpolitical development / Financial aspects in the GKV	8/13/2013 2:59 PM
4	ROI	8/8/2013 11:40 AM
5	Joint working agreements to measure outcomes	8/6/2013 7:17 PM
6	services are not linked to sales. This is a compliance rule. It is indeed a challenge to determine the impact	8/5/2013 10:53 PM
7	understanding the exact impact of the programme when a lot of other factors are also impacting on this	8/5/2013 6:51 PM
8	Roí undetermined	8/5/2013 6:18 PM
9	ROI with/without services	8/5/2013 4:07 PM
10	data availability	8/5/2013 1:58 PM
11	Nobody has found the silver bullet yet, but many have spent a lot of money. Regardless of the matrix many will be skeptical until the payers/policy makers demand this or reward this	8/5/2013 12:32 PM
12	return of investment linked to sales data, performance measurement per service and in isolation of other activities	8/5/2013 10:57 AM
13	If there is no price / market access negotiation involved, how do you measure? How much of the sales come from value added services, how much from other medical/commercial plans	7/30/2013 5:17 PM
14	acceptance of the outcome KPI by payors and HCP	7/26/2013 4:32 PM
15	How external stakeholders view our involvement, usually a sliding scale between self-serving and altruistic that skews more towards the former	7/26/2013 12:59 PM
16	Customer engagement	7/22/2013 4:27 PM
17	A lot of services can not be linked to sales,	7/18/2013 9:37 PM
18	ROI	7/17/2013 4:06 PM
19	ROI in a period of time determined by the Finance Department	7/16/2013 10:19 PM
20	Calculate ROI	7/16/2013 9:13 PM
21	measurement	7/16/2013 2:24 PM
22	get alignment amongst all stakeholders - and give the right to private sector to play a role	7/16/2013 1:45 PM
23	Fear of not having positive outcomes. Head in the sand.	7/16/2013 3:26 AM

## Q29 Do you have experience or comments on service strategies “beyond the pill” you would like to share?

Answered: 10 Skipped: 49

#	Responses	Date
1	Beyond the pill is oftne associated with diagnostic tools and monitoring but it should be more seen as service and satisfaction of customers in pharma !	8/8/2013 11:41 AM
2	We are currently working on a patient persistence programme in diabetes and it is critical to understand first what outcome you are looking for. we have worked with a lot of providers who want to sell you a solution without first wanting to understand exactly what your problem is!	8/5/2013 6:52 PM
3	No	8/5/2013 6:18 PM
4	no	8/5/2013 4:07 PM
5	na	7/26/2013 4:32 PM
6	Active participation in cancer support groups	7/17/2013 4:06 PM
7	compiled many during the last 18 years	7/16/2013 10:19 PM
8	Patient education on the use of medical devices	7/16/2013 9:13 PM
9	Work in progress - itruly believe pharma/biotech can play a role because of expertise and budget BUT it requires a lot of cross functional efforts and an transparency amongst all stakeholders on the objectives (shared objectives and specific objectives)	7/16/2013 1:46 PM
10	Most experiences have that these are marketing exercises seen as important for market share or image with less interest in patient outcomes.	7/16/2013 3:28 AM