



ADVISORY BRIEF

Capitalizing on Opportunities to Drive Impact in Commercial Operations

Highlights from TGaS Advisors' 2022 Spring Virtual Summit



June 2022

Throughout the first half of 2022, we've continued to face historic, unprecedented challenges related to the ongoing global pandemic. Life sciences enterprises, and essentially all industries, are grappling with decisions large and small. Priorities for Commercial, Market Access and Medical Affairs organizations in the life sciences industry continue to shift as teams work feverishly to evolve virtual and digital channels to engage with customers, and to sharpen Advanced Analytics. Developing capabilities and skills in new ways of working continue in the forefront of strategic priorities, along with increasing challenges in securing and retaining the right talent. Challenges related to vaccinations, variants, and decisions on returning to the office have seemed like a roller coaster.

Every day, our member companies reach out to TGaS Advisors for guidance in navigating this uncharted territory, and we proactively support more than 2,000 individuals across 300 partner companies. The findings in this Advisory Brief are based on our work with these companies and relate to key themes that emerged during our 2022 Spring Virtual Client Summit.

Critical Focus Points of This Advisory Brief



Background

The TGaS Advisors' Virtual Summit brought together the industry's top commercial operations and medical affairs executives to discuss the hottest trends, address concerns and help sort fact from fiction with objective, actionable information.

Over 450 individuals from 130 emerging, mid-tier and large-tier biopharmaceutical companies attended function-specific sessions across the Commercial, Market Access and Medical Affairs ecosystem. Leaders shared perspectives, made recommendations and collectively thought through alternative paths forward relative to key decisions to be made during 2022 and beyond.

Key themes across the sessions included:

- Securing & Developing Talent
- Evolving Strategic Priorities
- New Ways of Working

Commercial Operations leaders shared perspectives on what the past two years has taught us, and considered how the life sciences industry, in general, and people, specifically, have changed during this time. Which learnings are most critical to retain and develop further? And where are the remaining gaps that must be filled to be successful in 2022 and beyond?



Securing and Developing Talent

The demand for experienced talent in a highly competitive job market has created challenges for life sciences companies for years. The industry observed a transition of employees from mid- and large-tier companies to smaller start-ups with the rapid growth of the emerging biotech sector.

During the COVID-19 pandemic, attracting and retaining talent became an even more significant obstacle as the ‘Great Resignation’ emerged. When considering a work environment that will be sustainable in this new working world, life sciences companies have been examining policies and addressing *how* and *where* employees should work. TGaS Advisors conducted a study with a Commercial Operations department in a pharmaceutical company to help validate or debunk certain work-model assumptions. The findings of this study are available in our report, [Reimagining Work Models in the Life Sciences: Implications for the Future of Work](#).

Another TGaS study conducted with Commercial Operations leaders in the life sciences industry finds that ‘talent’ is the number one barrier that organizations are facing in developing their top priorities. Commercial Learning & Development leaders participating in a separate TGaS study report that talent acquisition and retention is one of the greatest impacts to 2022 success.

After a more in-depth look into the current talent dilemma in the life sciences industry, Commercial Analytics is proving to be the most difficult function to fill within the Commercial Operations area. Defining a career path and development opportunities for analytics staff is a challenge across the majority of organizations that participated in TGaS’ Commercial Analytics Summit. Reasons for the challenge include flatter organizations, lack of employee interest in areas outside of their current function, highly specialized skill sets that are difficult to develop mid-career and varying attitudes and perceptions about analytics by senior leadership teams.

Solutions for creating better career paths include the creation of competency models to facilitate levels within the analytics organization, but Summit attendees consider this to be over engineering the problem. Another idea is to work with senior leadership to emphasize analytics and insights experience when hiring for mid and upper management roles, creating more interest in a career path through analytics. Leaders can be more creative in finding opportunities for team development via cross functional project teams, managing outside partners and looking for training opportunities across the larger organization.

Recruiting into analytics comes primarily from other life sciences organizations or from life science vendors/consultants. There is recognition from Summit participants that undergraduate new hires come in with a high level of technical competence in SQL, R etc., which can be valuable in off-loading this work from more senior staff.

Securing and Developing Talent

Barriers in Developing Top Priorities

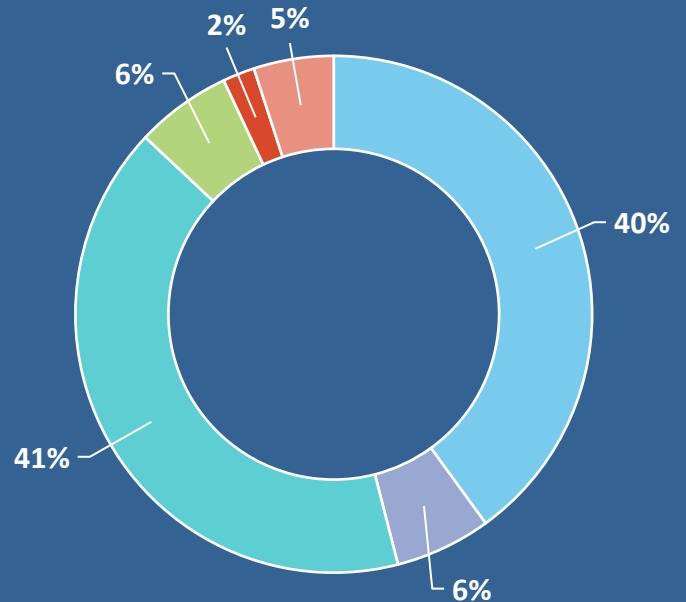


Ranking of Greatest Impact to 2022 Success



Challenges in Career Development for Analytics Teams

- Consulting / vendors
- Other functions within my organization
- Similar roles at other life science companies
- Outside the pharma industry
- Undergraduate new hires
- Graduate level new hires



Recruiting into Analytics Teams

Analytics staff have significant...

	Number of Responses				
	0	3	4	8	0
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Opportunities for leadership training	0	3	4	8	0
Opportunities for consulting skills training	0	5	5	5	0
Opportunities for pharma industry / business acumen training	0	3	4	7	1
Opportunities for communications training	0	3	6	6	0
Career path opportunities within my analytics organization	0	2	6	6	1
Career path opportunities within my company (outside of analytics)	0	4	6	5	0
Opportunities for people management	1	2	5	7	0

Evolving Strategic Priorities – Stakeholder Alignment

The theme for TGaS' Summit, *Empowering Stakeholders in the Biopharma Market*, resonated across Commercial Operations. How are leaders managing and ensuring alignment with stakeholder expectations while being perceived as strategic partners?

Learning & Development leaders ranked stakeholder alignment and support as having the greatest impact to their 2022 success. According to a TGaS survey, only 7% of L&D departments offer formal development on stakeholder alignment and management. Additionally, only 13% of L&D stakeholders clearly articulate what their Business Units need to do to complete and win in their markets, so L&D can directly align strategic and tactical plans.

There may be a misalignment between what L&D believes stakeholders expect and what they actually do. There may also be lack of awareness among stakeholders of metrics available to define training effectiveness and impact (e.g., time to proficiency, behavior changes, performance outcomes or retention of top talent metrics). Some of the greatest challenges include resources and time to develop and execute a measurement and metrics strategy and secure organizational alignment and support.

Marketing Operations leaders also discussed stakeholder alignment and communication. Although many Marketing Operations' partners are included in brand planning, there are not formal forums for keeping stakeholders informed of capabilities, updates and success stories. This is an opportunity for Marketing Operations departments.

Most analytics leaders believe they are seen as strategic partners with their key stakeholders, although those functions that are more centralized tend to have less strategic relationships. Many functions “grow into” the team as they deliver more and more value.

Some analytics organizations have a central point of contact to liaise or “quarterback” analytics functions with the Business Unit. Others have considered this approach, but additional headcount requirements and the level of professional development needed to properly do this role has been a barrier.

It is important to establish what being a strategic partner looks like to each stakeholder. Stakeholders have a variety of expectations based on prior experience, knowledge of the insights and analytics capabilities, and information that is available. Some analytics leaders have built their partnership with stakeholders by being proactive with new information, playing a role beyond the boundaries of insights and analytics, and establishing a roadmap with stakeholders. It can be difficult to cultivate deep strategic relationships given the transitory nature of many organizations, e.g., new leadership, products coming and going).

Evolving Strategic Priorities

Most analytics leaders believe they have strategic partnerships with stakeholders



Skills Needed:



Outsourcing Candidates:



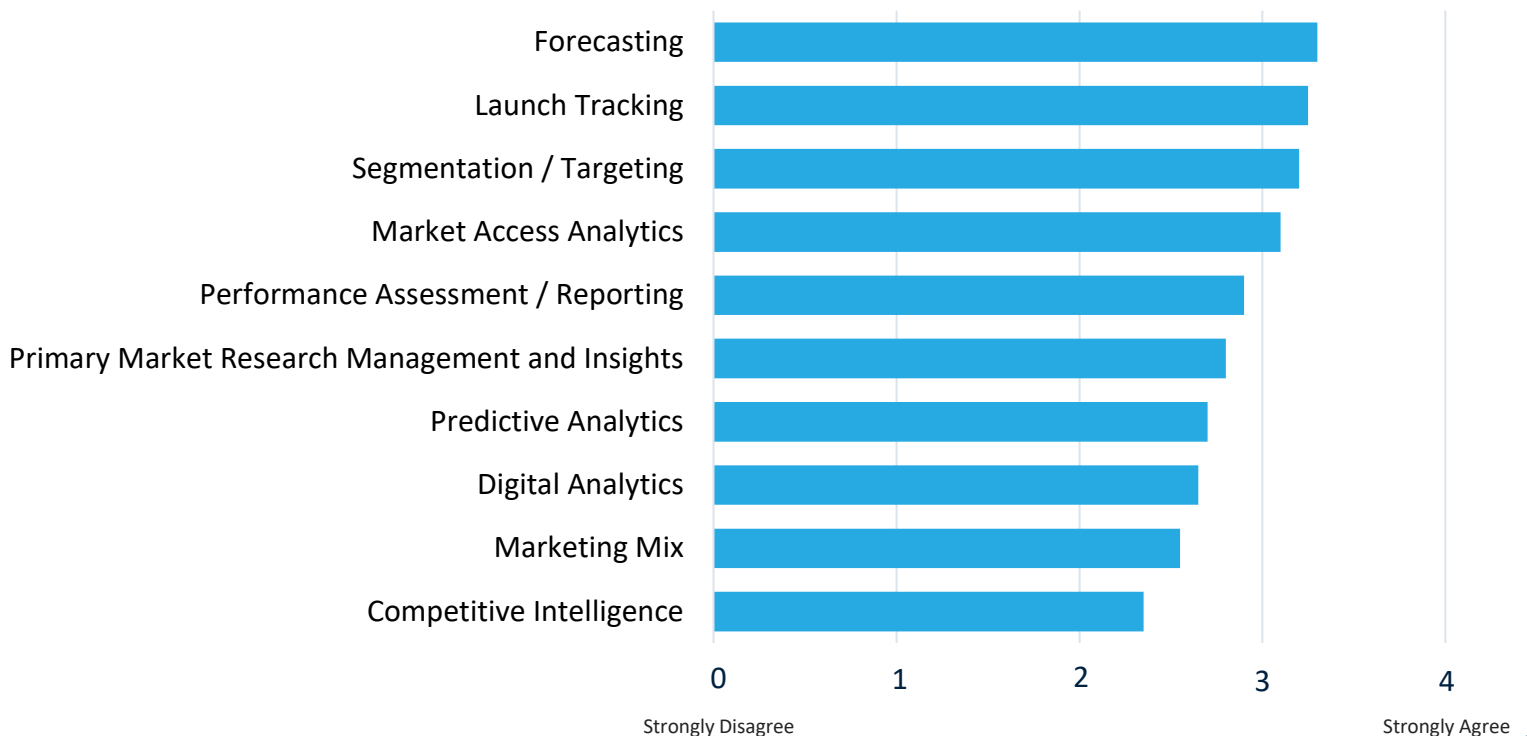
Analytics becoming specialized:



Strategic Capabilities Development for Analytics Leaders

Preference for Internal Capability

How strongly do you agree or disagree that the capability needs to be an internal capability?



Evolving Strategic Priorities – Capabilities Development

Due to the current hiring challenge in Commercial Analytics, an important Summit discussion focused on how to build and staff key strategic capabilities in this area. There is broad agreement that internal roles should be architects, storytellers and problem solvers, while execution of capabilities is more appropriate for outsourcing. Organizations tend to insource the functions that are more strategic or those that receive the most attention from senior leadership.

Organizations tend to outsource work that is more operational and repetitive in nature and that does not give the company a competitive advantage. When asked to choose what functions could be outsourced, there is agreement that staff level resources could be outsourced in most functions if there is strong internal leadership/expertise in the area. Those functions mentioned for potential outsourcing are performance reporting, simple secondary data analytics, primary market research as it is largely outsourced to third parties for execution already, and similarly competitive intelligence. A pitfall of outsourcing is the lack of business context and business acumen outside partners may have.

One challenge identified by leaders is the proliferation of specialized skills and experience in the analytics organization (digital marketing analytics, machine learning, specialized data sets such as claims and anonymized patient level data). At the same time, there are more/smaller brand teams for analytics teams to support as the industry moves away from primary care blockbusters. Organizations cannot afford to have an analytics specialist assigned to every brand team, so inevitably those with special skills have their time divided across multiple teams.

Omnichannel Marketing is also a critical area for capabilities development. When virtual interactions became a necessity during the pandemic, digital capabilities escalated. The world was forced to move virtually and rapidly. Biopharma's engagement with their customers followed suit.

Senior leaders are expecting commercial leaders to be more digitally-savvy and have a digital-first mindset. Increased capabilities and subject matter expertise are driving more digital centralization in emerging biotech. Regardless of role or therapeutic area, Business Unit leaders agree that digitally native marketers are the next best hire.

A channel that TGaS has seen to be revolutionary over the past 18 months is the use of social media. With social playing an ever-increasing role in how people receive their information, it can no longer be ignored. Biopharma is catching up to other industries in the sense that we are seeing more and more macro and micro influencers used to promote brands or disease states. Social media is being used as a lead generation mechanism. We are starting to observe a few brands allow commenting on certain platforms. There is a community for all disease states and social is their conduit.

Evolving Strategic Priorities – HCP Engagement

Healthcare provider (HCP) engagement has always been and continues to be about meeting customers where they are. Since the pandemic, a gap remains in understanding how a patient flows through a physician’s office and how the physician wants to engage with sales representatives—versus how they say they want to engage.

Leveraging Sentiment, a proprietary community of physicians developed by Trinity Life Sciences, we surveyed a panel of Oncologists to ask the questions that Field Operations teams in the life sciences industry want to know. According to the survey, clinical data, brand dosing guidelines and patient access information are the leading types of information that HCPs are looking for from sales representatives. Email, followed closely by virtual meetings and in person (in office) meetings are the survey respondents’ preferences for consuming information from representatives. There has also been feedback from HCPs that emails can be subject to spam filters, and representatives should confirm with HCPs if they are receiving them.

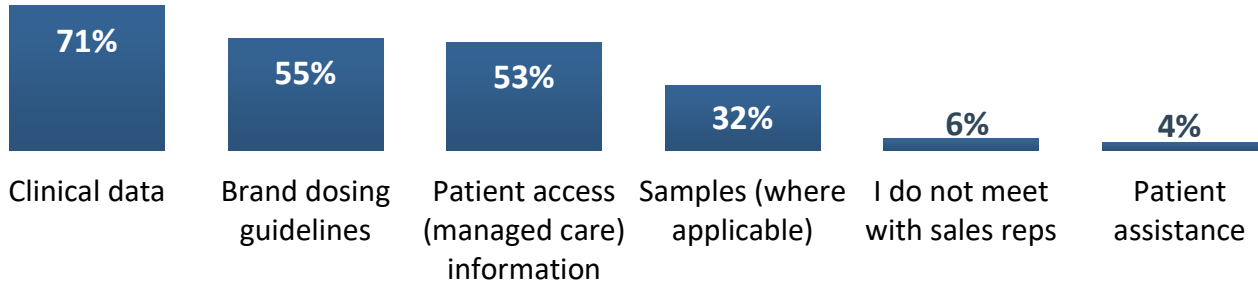
With the evolution of the commercial model, the future role of the pharmaceutical sales representative has been at the forefront of conversations. According to our survey of oncologists, patient access and support services are overwhelmingly seen as the role for the sales representative in the future.

Another question that has emerged is, “how can omnichannel strategy and capabilities evolve to better enable and support sales representative activities?” Centralized information for both representatives and physicians alike is important, especially for new product launches. Improved methods of physician and representative communication are also critical as strategies evolve.

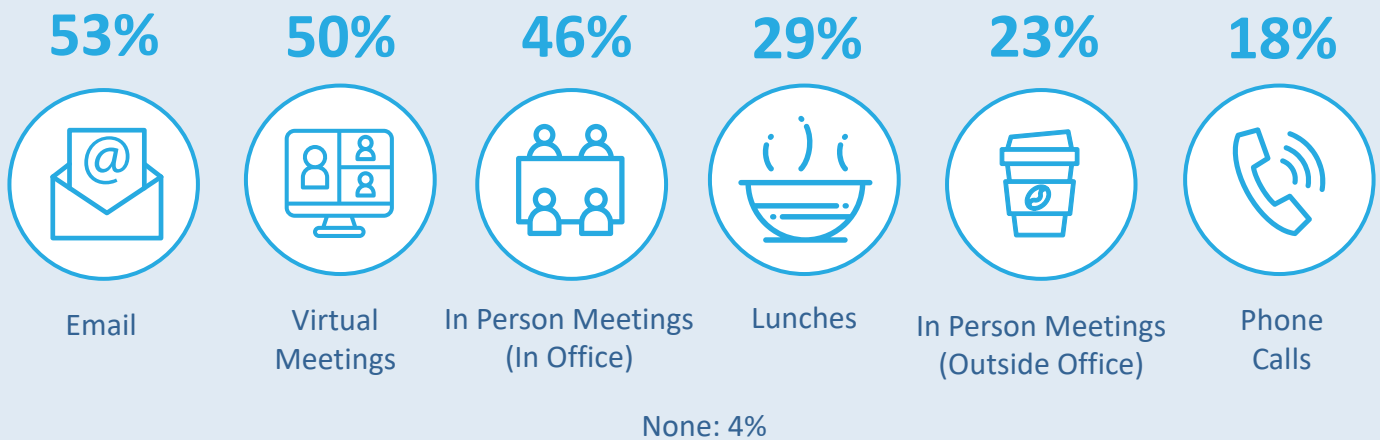
TGaS has also been closely monitoring trends in Next Best Action. In a recent TGaS study that explored the state of Next Best Action across all commercial operations, only some companies report that they have operationalized the capability. However, in almost all cases it starts and stops with representative suggestions. The next evolution of the capability is to incorporate non-personal channels into the decision engine to truly select the optimal channel and message. Companies need relevant approved content exposed to their decision engine and a team to orchestrate the dissemination of information to fully appreciate the capability.

The reality is that most organizations are in a similar position when it comes to their omnichannel marketing maturity. Instead of trying to “be” omnichannel which is a very nebulous aspiration, organizations need a champion that can not only set a vision, but tactically focus on the areas with the greatest impact on the organization in the short term.

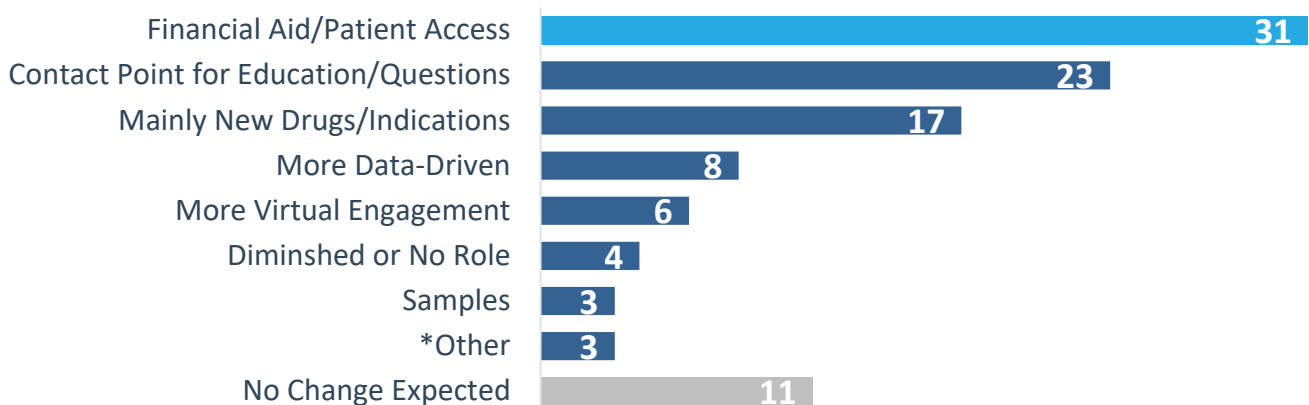
Types of Information HCPs are Looking For from Sales Representatives



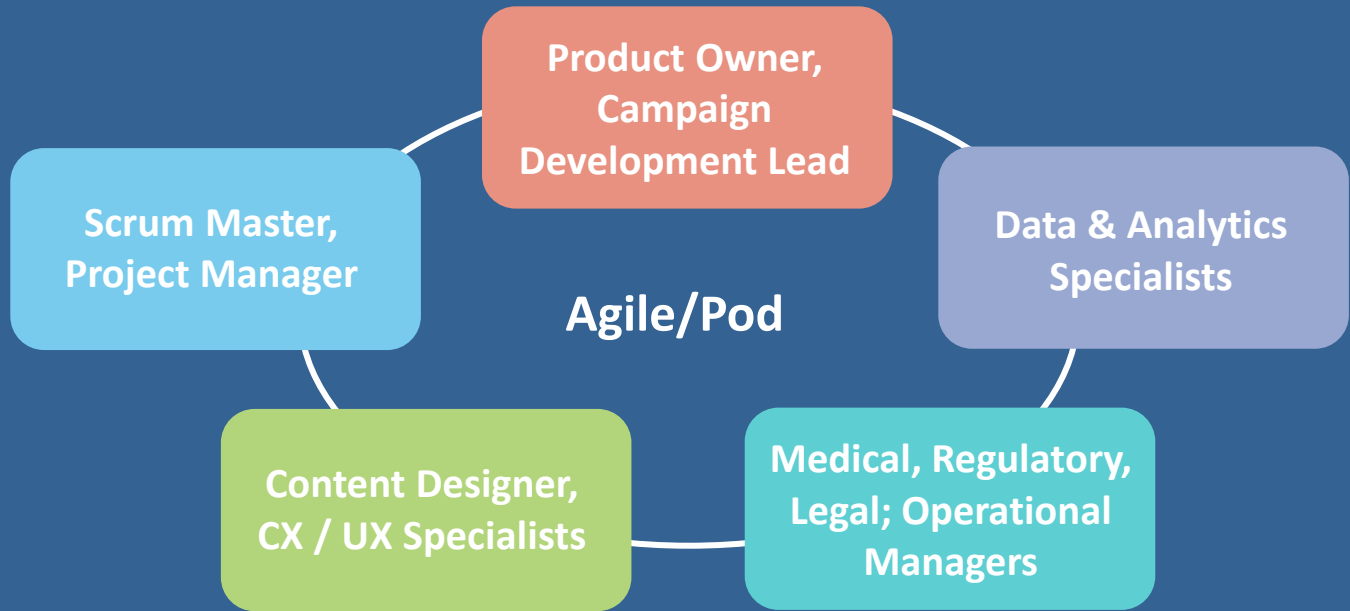
Preferences for Consuming Information from Sales Representatives



Future Role of the Pharma Sales Representative



New Ways of Working



Agile: Mindset, Resourcing & Change Management

Agile approaches and pods are new ways of working as compared to the traditional ‘linear’ promotional review process. As such, a carefully constructed, staged approach to adoption and integration is key. Mindset, change management and thoughtful communications are significant contributors to success in employing agile approaches.

Managing resources to properly support agile pods and workstreams is also a critical component of realizing success and benefits from an agile approach. Ensuring early communication and alignment on required time commitments to agile pods and workstreams is a critical practice, especially for stretched Review Team and Medical/Regulatory/Legal Operations personnel.

For organizations with piloted or fully formed pods, using the standup as a forum to align on practical Review Team time commitments for a given sprint is a best practice. To the extent possible, structuring time requirements so that they are not ‘add-ons’ on top of existing traditional promo review demands is also advised.

New Ways of Working

Market Access: Key Trends in Medical Benefit Management

Cost Containment tools used by Payers to remove cost from the system through various mandates, process improvements (cross-benefit) and efforts to shift more aggressively to biosimilars



BIOSIMILARS: Biosimilars give payers leverage to prefer a biosimilar over the originator product or other competing biosimilars. Specialty products on the medical benefit traditionally did not have generic equivalents. Although cost reductions are not as significant as gen med generics, competition does allow for contracting and results in rebate/discount concessions.



WHITE BAGGING / SITE OF CARE MANDATES: Payer/PBMs have increased the utilization of “white bagging” by requiring HCP administered therapies to be obtained via the specialty pharmacy channel

- For instance, Anthem and BCBS of Tennessee both require HCP administered therapies to be obtained through CVS specialty pharmacy.
- Shifting control to pharmacy benefit allows Payers to exert more utilization control and decrease drug spend for their employer clients.
- Specialty pharmacy dispensing fees, data fees and other FFS such as adherence initiatives are additional ways for Payer/PBMs to increase revenue.
- Sites of care often will use Specialty Pharmacies who own the budgetary risk for infusions at home or preferred infusion centers.



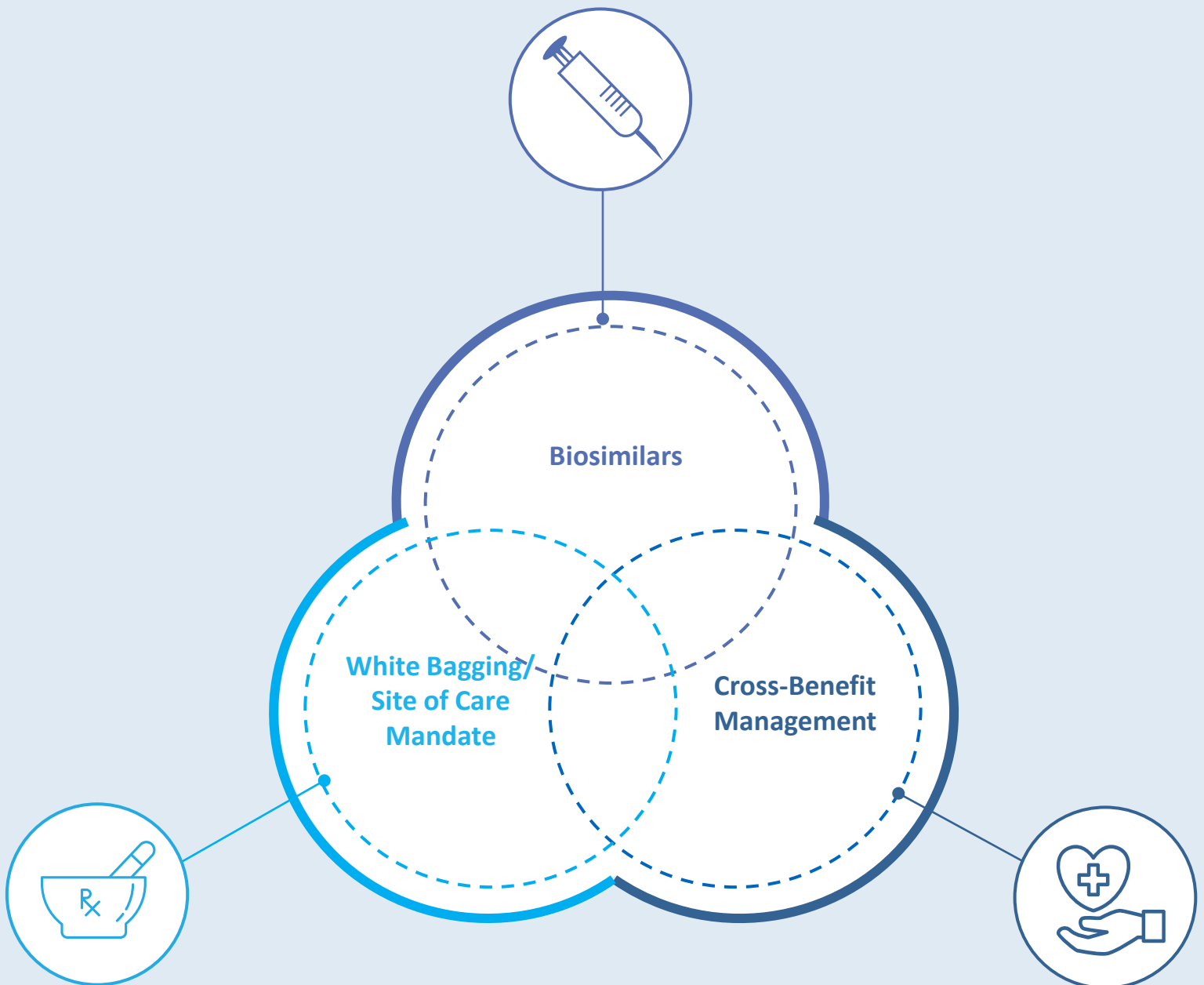
CROSS-BENEFIT MANAGEMENT: Integration of processes and process improvements creates more holistic approaches for cross-benefit management and aligns with total cost of care initiatives. Outsourcing medical policy management (Novologix and eviCore), bring clarity to medical benefit drug spend and reduce costs for employer/payer clients.

- Automated prior authorization requests can trigger suggestions for more cost-effective alternatives reimbursed through the specialty pharmacy channel.
- Integrated platforms allow for more transparent data collection and understanding of cross benefit drug spend that are traditionally difficult to manage on the medical benefit.
- Reduce confusion around denials of coverage based on which benefit PA was submitted.

New Ways of Working

Market Access: Key Trends in Medical Benefit Management

Cost Containment tools used by Payers to remove cost from the system through various mandates, process improvements (cross-benefit) and efforts to shift more aggressively to biosimilars



New Ways of Working

Market Access: Trends and Considerations in Pricing & Contracting

Pricing & Contracting leaders discussed how they are prioritizing and addressing key issues in the coming year and beyond.

EXTERNAL MARKETPLACE FORCES

- » **Evolution of PBMs**- PBMs continue to look for innovative ways to extract value from manufacturers, via creation of in-house GPOs, new fee structures, formulary exclusions, etc.
- » **340B Program Management**- As 340B Drug Pricing Program has exceeded the size of the entire Medicaid outpatient program, many companies are taking proactive measures to minimize revenue leakage.
- » **Drug Pricing Legislations**- Companies continue to monitor this, but the level of impact analysis varies across the industry

INTERNAL CHALLENGES/PRIORITIES

- » **Remote Work Arrangements**- While most companies adopted hybrid work arrangements, some are embracing flexible/remote arrangements to retain talent.
- » **Hiring Challenges**- Specialized Pricing & Contracting resources are hard to find, and higher-level talent is needed to satisfy the increasingly complex demands.

BUDGETS/RESOURCES

- » **Prioritizing Headcount and Spend**- More so than in the last few years, companies are willing to increase budgets and headcount to address operational issues with high ROI.

INNOVATIVE TECHNOLOGIES

- » **Prevalence of Innovative Technologies**- While there is a lot of interest in utilizing Robotics, Artificial Intelligence and Blockchain technologies in contract management, the level of adoption varies.

Critical Skills/Competencies Required for a Commercial Operations Leader

Strategic Mindset

Strategic agility | Ability to connect the dots | Analytics
Problem solving

Innovative Mindset

Technical ability | Innovation | Broad commercial Basics of advanced analytics background | Technical understanding of the role | Digital enablement | Digital transformation

Agility & Flexibility

Resilience | Adaptability | Composure | Ability to be successful / lead in more complex environment | Ability to prioritize and simplify

Human Resource Development

Resource prioritization / optimization | Talent retention | Providing career development opportunities | Dynamic engagement of hybrid teams | Employee engagement

Leadership Skills

Ability to motivate and drive engagement | Ability to lead through complexity and ambiguity

Communication Skills

EQ | Executive communication | Collaboration

Capitalizing on Opportunities to Drive Impact

In conclusion...

After two years of unprecedented business disruption, Commercial Operations leaders are focused on thriving, confronting their business challenges head on. To thrive, Commercial Operations leaders need creativity, innovation and resilience. What are the critical areas of your business where you can seize opportunities, identify productivity improvements, evaluate where and how to execute on bold initiatives and accelerate capability development to reach the next level of performance? Achieving an optimal balance of client facing resources and digital/virtual client engagement is a critical priority while organizations continue to evolve digital capabilities and advanced analytics. TGaS Advisors remains engaged with our clients at every twist and turn as together we successfully tackle the opportunities and challenges ahead.

Leveraging critical learnings to innovate and evolve the Commercial Model

- Retaining and acquiring critical talent
- Evolving skills and capabilities
- Implementing Next Level Ways of Working, including Next Best Action and Agile
- Balancing customer engagement methods to be nimbler in responding to client business needs
- Expanding digital excellence to enable best in class customer engagement as the commercial model evolves



About Trinity

Trinity Life Sciences is a trusted strategic commercialization partner, providing evidence-based solutions for the life sciences. With 25 years of experience, Trinity is revolutionizing the commercial model by providing exceptional levels of service, powerful tools and data-driven insights. Trinity's range of products and solutions includes industry-leading benchmarking solutions, powered by TGaS Advisors. To learn more about how Trinity is elevating life sciences and driving evidence to action, visit trinitylifesciences.com.

For more information, please contact us at info@trinitylifesciences.com.