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Sleeping With The Enemy? Open Minds Needed For Tech Partnerships

Data Are The Enabler But Customization Is Key

by **Vibha Ravi**

The entry of tech giants Amazon and Alphabet into healthcare has the potential to disrupt the industry, but can established pharma players partner with them in the move towards a customer and data-oriented future? Panelists from Gilead, Merck KGaA, Bristol-Myers Squibb and others deliberated the question at a recent summit.

If there is one thing the pharma C-suite is keeping a watch on these days, apart from COVID-19-related developments, it is the moves of technology giants in health care.

Though Amazon has entered the pharmacy business and Alphabet's [Verily Life Sciences LLC](#) has a stated mission to make the world's health data useful, industry is acutely aware of the customer savvy and big data capabilities the two bring to the table and their potential to disrupt the status quo. (Also see "[Amazon Pharmacy Starting Up In India: What Pharma Could Gain Or Lose](#)" - Scrip, 18 Aug, 2020.)

With artificial intelligence and machine learning gaining ground in research and development, it's perhaps becoming a case of fight them or join them for established pharma players.

No wonder then that these names popped up frequently during a discussion on digital innovation at a virtual event, Indegene Digital Summit 2020, organized by the Indian health care solutions Indegene, as the panelists delved into how the intersection of technology and

Finance Watch: Big VC Money Backs Tech-Enabled Drug Discovery

By **Mandy Jackson**

pharma is expected to shape competition and influence strategy.

Speaking about the diversity of competition pharma companies face today, [Merck KGaA](#)'s global head of data analytics and strategy for health care, Caoimhe Vallely-Gilroy, said "it's not just the standard big pharma that we've been used to in the past, it's the Amazons and the Googles that add that extra pressure on top of what we're trying to do."

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Private Company Edition: XtalPi raised \$318.8m for its AI-based drug discovery platform and machine learning-enabled Flagship start-up Valo Health has brought in nearly \$100m. XtalPi had one of three recent venture capital mega-rounds for China-based companies.

[Read the full article here](#)

However, pharma seems willing to learn from and adopt the customer-centric approach that the tech giants excel in, while also seeing an advantage in collaborating with them.

Established pharma players would find it difficult to compete with technology companies given that it would take several years to build that level of expertise, Vallely-Gilroy said. Citing the unprecedented cooperation that COVID-19 has fostered, she added "I'm a big believer in collaboration." (Also see "[Silver Linings: COVID-19 Creates Investment Bubble, Golden R&D Era](#)" - Scrip, 15 Sep, 2020.)

Shwen Gwee, VP and head of global digital strategy at [Bristol Myers Squibb Company](#), who has also served on the advisory board of Google's health care business, pointed out that these companies are a threat given that they are hiring talent to drive their health care strategy and are "very much doing the things that we do in the R&D stage." At the same time, the opportunity is for "us to partner with them to learn from them and they from us, at least in the parts that they're not as heavily invested in yet."

A collaboration would bring together the value that a big tech company with customer experience and "data heavy mentality" brings and the "deep science" expertise and approach that existing pharma companies have, to engage and help patients meaningfully, he noted.

Vallely-Gilroy pointed out that technology players could also serve as "extra voices" in the discussion with regulators on topics of digital innovation and the use of data, thus accelerating regulatory changes.

Innovation Incentivization Models

Pharma could also draw lessons in incentivizing innovation from technology companies, a few panelists felt. Gwee said though innovation is often thought of as a free-form exercise, companies could create some process around it.

“A common way to approach this is the 70:20:10 rule - so 70% of your job should be about keeping the lights on, 20% about incremental innovation that is to do with more or less sure bets and 10% could be more of the transformational, big bet kind of stuff,” he said, quoting the now familiar story of how Google in its early days allowed employees 20% of their time to focus on something they were passionate about and several Google platforms and solutions came out of that allowance.

Mike Reilly, global head of supply chain customer connectivity digital products at [Johnson & Johnson](#), said the company has created an "innovation garage" that not only aids prototyping but also helps people visualize innovation.

*“Companies need to balance a need for process with the need for creative freedom since innovation is sometimes more of an art”-
Jeff French, VP and chief digital officer, ViiV Healthcare*

Cristina Carlis, VP, global marketing - digital & innovation at [Gilead Sciences, Inc.](#), emphasized that innovation awards are a great way to incentivize people, adding that companies should find a way of building innovation into goals and add incentives around it the way it's done for sales.

Learning from failure and incentivizing employees to speak up and share what they learned and what could have been done better is also critical. “I mean innovation is a narrative, right? It may be that we learn something that we're going to scale up and move them forward, even if not in the way we had expected perhaps at the beginning of the journey,” she said.

The ability to accept failure while experimenting with digital initiatives and business processes found resonance, with the panelists suggesting that pharma companies should be more open-minded in this respect given that experimentation is core to product development in this industry.

Identifying best practices and seeding multiple sponsorships for an idea across functions like manufacturing and research are another way of making sure that innovation succeeds while reducing spends and speeding things up.

Data Are Important But Customization Is Key

The session on “Digital innovation: Staying ahead of the curve,” moderated by the director of research at DT Consulting, Michael Cook, examined how data could be deployed for insights into patient journeys, which can then be used to improve health solutions via research and development.

Citing the example of claims data, Carlis said the tools available today can give pharma companies a bird’s eye view in a personalized manner about how the customer is interacting with medicines, disease, lifestyle and ecosystem and how they can be supported.

However, digital innovation “cannot be a solution looking for a problem, but it needs to start with the business problem or question and address that. The idea is to think about innovation beyond just the molecule. The customer experience is how you’re truly going to differentiate yourself,” she observed. (Also see “[Post-COVID-19 Consumer Preferences A Guide For Pharma Strategy](#)” - Scrip, 31 Aug, 2020.)

Extending the argument, Reilly said innovation must start with the customer, though too often companies start outside. Johnson & Johnson is designing better user interfaces, undertaking field studies to understand how customers use its products and making observations in order to personalize products.

“All our customers are consumers of the Amazon experience and expect the same experience just like we do. So, for us it's starting with the customer and looking at what are we doing to delight the customer because beyond this great product, people want and expect a great experience.” – Mike Reilly, global head of supply chain customer connectivity digital products, Johnson & Johnson

While data and analytics have a key role to play, they can only get pharma companies that far and companies need to have human capabilities to address the real questions and develop fit-for-purpose solutions, Vallely-Gilroy stressed.

Gwee called for a balance between digital innovation and the user experience in terms of not adding to the complexity in a patient’s life by developing new and different tools, but rather examining what the patients are used to and devise solutions that can fit into their lives

seamlessly.

In another panel discussion at the same event, Subhasis Banerji, founder of wearable devices firm SynPhNe Pte. Ltd., said irrespective of age, customers have digital habits which are difficult to change and so it's important to avoid data "density and fatigue."

As his company helps patients with physical disabilities resulting from neurological pathologies like stroke and ageing problems, Banerji is studying dating sites to draw lessons in customizing solutions for patients. "I am looking at how people choose sites and how do those sites then match people for lessons in how to match health care professionals to the personas of patients for greater compatibility and program compliance," he explained.

Leadership, Functional Buy-In

Across the board, panelists agreed that digital innovation has to be driven by the C-suite for it to be meaningful or transformative, as a top-down approach secures buy-in across functions, making transitioning easier.

Carlisle mentioned how Gilead CEO Daniel O'Day's emphasis on innovation to support the corporate strategy of transforming medicines began to permeate across functions and ranks, ensuring that "pieces of innovation come to the table" and are discussed in terms of their applications irrespective of the function where they originated.

Leaders of every function should recognize the importance of collective will and action in truly transforming a business and think about "what are you doing to change your piece of the pie today and how does that impact the other folks around you," French emphasized. (Also see [*"Bayer Execs On Digital Acceleration, Getting The Building Blocks Right"*](#) - Scrip, 29 Sep, 2020.)

Addressing the moderator's question on paucity of time as leaders have to focus on "keeping the lights on," French said leaders have to run the business and change the business at the same time and "in this day and age if you can't do that, then you haven't thought about how to run your shop well enough or you need to change ... to free up that ability to think differently about what needs to be done for the future."

Gilroy added that it's also important to delegate and empower the team, so leaders don't have to do everything themselves.

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