

# Half-Year Collection 2020

## Covid-19 related Insights & Recommendations

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# Covid-19 Outbreak & **Business Continuity**

— SMART TOOL SERIES (#2) —

## 4 Practical **Recommendations**

Position Paper

March 17, 2020

## 1. Introduction

**The Covid-19 outbreak is leading to an exponential increase of deaths which has obliged governments to make drastic decisions to limit the propagation of the virus in their country**

- The Coronavirus disease 2019 (Covid-19) has spread in 124 countries and led to 6,500 deaths<sup>1</sup>, especially amongst patients suffering from chronic diseases<sup>2</sup> and/or very old ones<sup>3</sup>
- Governments have implemented different strategies according to the stage of the outbreak:
  - **Stage 1:** The priority is to control the entry of infected people in the country through early identification
  - **Stage 2:** The strategy consists in slowing down the spread of the virus by identifying clusters<sup>4</sup> and limiting contacts with non-infected people by social-distancing (e.g. limiting people gathering) and closure policies (e.g. schools)
  - **Stage 3:** This third stage corresponding to the circulation of the virus across the country, the strategy is to reduce clusters of cases and mobilize healthcare structures and healthcare professionals to limit the possible lethal effects of the virus



## 1. Introduction

**To help pharma companies run their operations, as efficiently as possible, in a context of social-distancing and closure measures, Smart Pharma proposes 4 practical recommendations**

- The business continuity of companies is getting affected by social-distancing measures and closure policies implemented by governments in the USA, the top 5 European countries<sup>1</sup>, China and Japan which together account for ~75% of the worldwide pharma market in value
- In addition to these measures, several pharma companies have self-imposed even more restrictive measures such as:
  - Travel restrictions
  - Working from home to reduce virus transmission between colleagues and for in-field employees<sup>2</sup> to or from healthcare professionals
- These restrictions will be soon applied by a much larger number of pharma companies which must however continue to ensure their operations are run with as much as possible efficiency
- For so doing, Smart Pharma Consulting proposes – a non-exhaustive – list of 4 practical recommendations which can be easily and immediately implemented



## 1. Introduction

**We have selected four themes for which we propose recommendations, especially for affiliates of pharma companies particularly affected by measures related to the Covid-19 outbreak**

Activities Prioritization

E-Meeting Management

HCP Relationship Management

Collaborators Engagement

*“Covid-19 situation will offer opportunities to open-minded managers with an entrepreneurial mindset”*

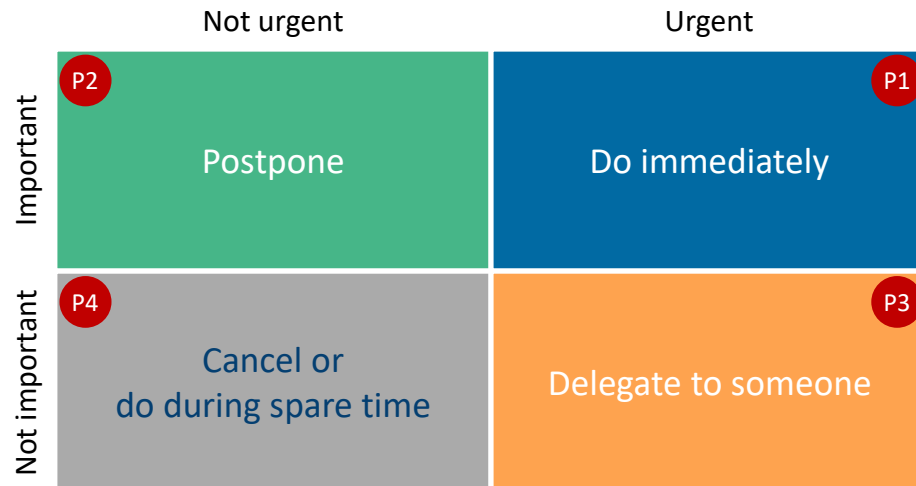
## 2. Recommendations

The Eisenhower Matrix is a practical and easy-to-use tool to help select activities to focus on and those to postpone or cancel

### Activities Prioritization (1/2)

When resources cannot be optimally mobilized, prioritization is more than ever essential, without compromising on quality

#### Eisenhower<sup>1</sup> Matrix



Make a specific to-do list with all the things to get done

- This Matrix is a tool to **prioritize activities** based on **importance** and **urgency**
- **Important** activities contribute to **meet long-term goals** and **urgent** ones to **meet short-term goals**, requiring **immediate action**
- A great attention should be paid at evaluating:
  - What activities should be done?
  - When and by whom?
- This matrix helps sort out **activities** to **focus on** and those that should be **postponed** or even **ignored**
- A daily, weekly, monthly... **schedule** of activities will be set considering their degree of priority **based on importance** and **urgency**

**P** Priority ranking

## 2. Recommendations

Take time to plan carefully your activities and you will end up saving time

### Activities Prioritization (2/2)

#### Activity Planning Tools

Weekly time log	Monday	Tuesday	Wednesday	Thursday	Friday
Morning					
Lunchtime					
Afternoon					
Evening					

Morning time log	Activities	Priority <sup>1</sup>	Afternoon Time log	Activities	Priority <sup>1</sup>	Remarks
≤8:30			14:00			
9:00			14:30			
9:30			15:00			
10:00			15:30			
10:30			16:00			
11:00			16:30			
11:30			17:00			
12:00			17:30			
12:30			18:00			
13:00			18:30			
13:30			≥19:00			

- The purpose of this tool is to help you organize your activity and make sure you will focus your time and effort at your 2-3 top priorities (P1) to reach your main goals and set deadlines
- It is not only a planning tool but also a diagnostic tool to check if you allocate your time in an optimal way
- Your most challenging<sup>2</sup> activities should be slotted into your most productive (high-energy) time of the day
- The time log should be filled up (on a notebook or an electronic device<sup>3</sup>), ideally, at the end of the previous week or day, accordingly, which should not take more than 10-15 minutes

## 2. Recommendations

**If well-prepared and properly managed to keep all participants engaged,  
E-meeting may be as effective as face-to-face meetings, while saving time and money**

### E-Meeting Management (1/2)

Social-distancing and closure measures to limit transmission of the Covid-19 oblige companies to replace face-to-face meetings by virtual or remote meeting

### 7 Tips for Proper E-meeting Preparation



1. Setting clear meeting goals will help define who should attend
2. A detailed agenda, with timelines (considering different time zones, if any) should be defined and sent to participants<sup>1</sup> in advance...
3. ... along with background information and their respective role, for review and preparation
4. Participants should get the information to call into the meeting
5. Some of them will be assigned responsibilities such as: facilitator, time-keeper, note-taker, bridge moderator<sup>2</sup>, technical support<sup>3</sup>
6. The most widely used tools for video conferences, in business environment are: Zoom, Skype (Microsoft), Webex (Cisco), knowing none of them is free from dysfunction
7. The host will check, few minutes ahead of time, that the teleconference tool works properly, so that to start on time



## 2. Recommendations

The strict implementation of the following 10 tips will help run successfully E-meetings

### E-Meeting Management (2/2)

#### 10 Tips to well-run an E-meeting

#### E-Meeting Starter

1. Use an icebreaker to create a positive atmosphere and get people on board
2. Recall the goals of the e-mail and what is expected from each participant
3. Show the agenda (with short breaks of 5-10 minutes every hour or hour and half)
4. Set meeting ground rules

#### E-Meeting Running

5. Maximize discussion time over presentation time<sup>1</sup>
6. Give a chance to each participant to express himself
7. Avoid people speaking over each other by ensuring a strict application of E-meetings ground rules
8. Keep participants engaged and the meeting interactive by:
  - Making short talk
  - Calling on them to give regularly their opinion
  - Using video (shared screen, camera, etc.)
  - Putting the microphone on mute when not talking to avoid background noise

#### E-Meeting Follow-up

9. Send a clear – precise – concise follow-up e-mail that summarizes:
  - Key information shared
  - Decisions made
  - Key takeaways
  - Actions to be carried out and by whom
10. A minute will be sent out to people who need to be kept informed about the outcomes

## 2. Recommendations

**Pharma companies should consider the individual position of HCPs and of their in-field collaborators before deciding which strategy to adopt to stay connected to their “clients”**

### HCP Relationship Management (1/2)

Social-distancing measures and HCPs increasing workloads due to the Covid-19 outbreak prevent in-field collaborators from maintaining regular contacts with their “clients”

### Situation Analysis

		In-field collaborators	
		F/F Interactions	E-Interactions
Healthcare Professionals	F/F Interactions	✓	✗
	E-Interactions	✗	✓
	No Interactions	✗	✗

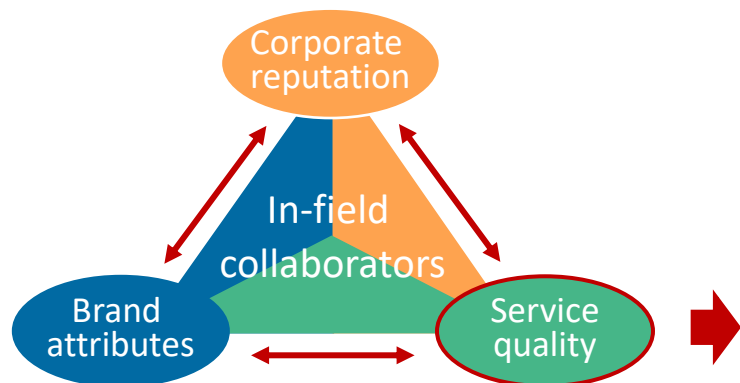
- In the context of the Covid-19 outbreak, in-field collaborators<sup>1</sup> are facing strong difficulties to maintain interactions with HCPs
- HCPs can adopt 4 behaviors vis-à-vis in-field collaborators:
  - Refuse all types of interactions with in-field collaborators
  - Accept F/F (face-to-face) interactions only
  - Accept E-interactions (i.e. remote) only
  - Accepts F/F and E-interactions
- In-field collaborators can adopt 3 behaviors:
  - Accept F/F interactions only
  - Accept E-interactions only
  - Accept F/F and E-interactions
- The challenge for pharma companies is to remain connected with their “clients” by adopting the appropriate behavior

## 2. Recommendations

The offering of high-value services to support HCPs, patients and/or medical institutions in the context of the Covid-19 outbreak, may be rewarding for pharma companies, if well executed

### HCP Relationship Management (2/2)

#### Brand Preference Mix (BPM)<sup>1</sup>



- The BPM determines the 3 drivers to be activated to enhance prescriber preference, and thus to optimize market share<sup>1</sup>
- In the Covid-19 context, priority should be given at offering services in relation to the outbreak

#### Covid-19 Outbreak-related Services

- Social-distancing and closure measures in place in most countries affected by the Covid-19 have compelled employees to stay at home
- This unfortunate situation may be an opportunity for pharma companies to offer HCPs, patients and/or institutions new services
- The proposed services should respond to a real need and be preferably connected to the management of the Covid-19 outbreak
- Pharma companies and their collaborators should be:
  - Legitimate to offer these services
  - Capable to deliver a high level of service quality
- In-field collaborators are best positioned to identify possible services
- Unsolicited communication on non-essential and urgent information regarding promoted brands would be viewed as inappropriate

## 2. Recommendations

**While collaborators are encouraged or requested to work from home, their manager must be particularly supportive<sup>1</sup> and communicate regularly to reassure them and give precise direction**

### Collaborators Engagement (1/2)

As the Covid-19 continues to spread, governments and companies are asking people to work remotely, as much as possible, which is a real challenge in terms of motivation and engagement



### 7 Tips to Working from Home Effectively

1. Start and end your day with a routine (e.g. preparing a coffee, shutting down the computer) that defines the workday
2. Schedule breaks (e.g. one or two breaks of 10 minutes in the morning and the afternoon, plus a 45 to 60 minutes lunch break)
3. Set ground rules with household members (especially if schools and day care are closed) so that to remain concentrated on your work
4. Keep a dedicated office space for work and use a noise-canceling headphone to avoid getting distracted by family members
5. Get the right equipment (e.g. a monitor for your laptop, a printer, a proper access to Internet, a webcam) and the right applications (e.g. Microsoft Teams, Skype, GoTOMeeting, Zoom, Slack) to facilitate remote interactions
6. Interact regularly with your colleagues and manager to prevent loneliness which makes people feel less motivated and productive
7. Get clear objectives from your manager while working from home, and set up frequent (daily or at least weekly) progress meetings

## 2. Recommendations

**Collaborators could be proposed online training to further develop their skills, spend time on planning activities and be involved in a contest to propose better ways of doing business**

### Collaborators Engagement (2/2)

### 3 Suggestions to keep Collaborators Engaged and Productive<sup>1</sup>

#### Set up Online Trainings

- The Covid-19 crisis offers an opportunity to propose online training courses to collaborators
- These E-learning programs should be designed considering that most collaborators work from home<sup>2</sup>
- No compromise on the quality of the program should be accepted...
- ... nor on the relevance for the employees to undergo a specific training

#### Give Priority to Planning Activities

- In general, planning activities are not devoted enough attention due to the daily workload of collaborators
- The crisis leading to cancelation of many meetings, the time freed up could be invested to raise the quality of plans (e.g. brand plans, in-field collaborators action plans) by:
  - Revisiting the existing ones
  - Devoting more time at developing new ones

#### Launch a Creative Business Operation Contest

- The disruption created by the Covid-19 outbreak is conducive to rethink business operation status quo
- Companies should launch a “creativity contest” for its collaborators to find new ways of doing business, along their value chain, so that to:
  - Increase their operational efficacy and efficiency
  - Better interact with and serve their “clients”

### 3. Key takeaways

**These recommendations intend to help pharma companies ensure the continuity of their business while complying with their internal rules and the national measures imposed by governments**

#### Our 4 Practical **Recommendations**

##### Activities Prioritization

- Priority activities, in the context of Covid-19 outbreak, are those contributing firstly to protect the companies' collaborators, their families and clients...
- ... and secondly to maintain the continuity of the business by ensuring the essential tasks<sup>1</sup>

##### E-Meeting Management

- The generalization of E-meetings, during the Covid-19 crisis, requires to train all collaborators on "best practices"...
- ... and to strictly apply the corresponding rules to ensure their efficacy and efficiency

##### HCP Relationship Management

- Face-to-face interactions with HCPs becoming very difficult, if not impossible,...
- ... in-field collaborators should try to remain connected by proposing services to help better manage the Covid-19 outbreak

##### Collaborators Engagement

- Collaborators, not familiar with work from home, should receive guidance and advice to adjust and be productive
- They should be proposed online trainings, devote time to build high-quality plans and participate to a "Creative Business Operation" contest ; to make the best use of time



# **Engaging HCPs in Post-Covid-19 Era**

— SMART TOOL SERIES (#3) —

## **Pre-defined Priorities for Pharma Affiliates**

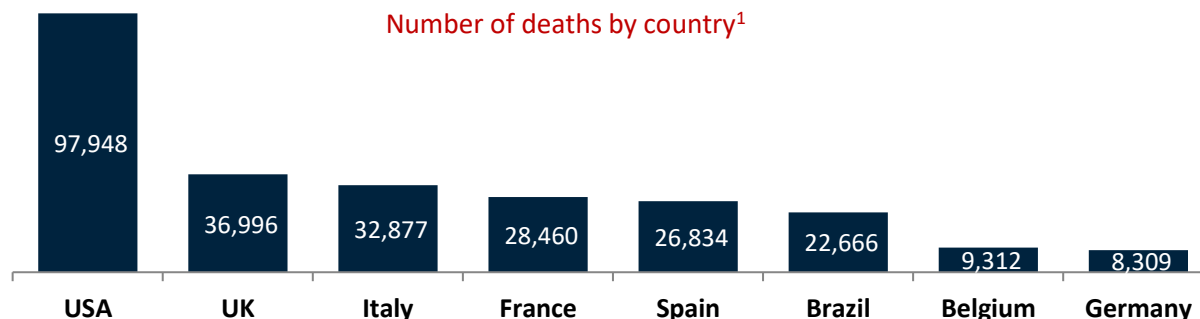
Position Paper

May 2020

## Introduction

### The Covid-19 crisis is likely to leave permanent after-effects that Pharma Affiliates should seize to rethink their business priorities

- The Coronavirus disease 2019 (Covid-19) has spread in 227 countries and led to 344,503 deaths<sup>1</sup>, of which 76% are concentrated in 8 countries
  - Half of the global population has been asked or ordered to stay at home by their government, with varying stringencies, to slow the spread of the outbreak
  - However, considering that most countries are starting to lift, step by step, lockdown restrictions, at this stage of the pandemic, Pharma Affiliates should:
    - Imagine how the Post-Covid-19 Era is going to change HCPs behavior
    - Anticipate the impact of these changes on engaging HCPs
    - Adapt the strategy, tactics and/or organization to these HCP behavioral changes
- “The Covid-19 may offer a real opportunity for Pharma Affiliates to rethink their commercial operations”**





## Introduction

In a previous position paper entitled “**Covid-19 & Business Continuity**”<sup>1</sup>, we have made practical recommendations on 4 topics to ensure business continuity during the lockdown

### Activities Prioritization

- Prioritize activities contributing firstly to protect the companies’ collaborators, their families and clients...
- ... and secondly to maintain the continuity of the business by ensuring the essential tasks<sup>2</sup>

### E-Meeting Management

- The generalization of E-meetings requires to train collaborators on “best practices”...
- ... and to strictly apply the corresponding rules to ensure their efficacy and efficiency

### HCPs Relationship Management

- Face-to-face interactions with HCPs becoming very difficult, if not impossible,...
- ... in-field collaborators could remain connected by proposing services to help HCPs manage the situation

### Collaborators Engagement

- Collaborators, not familiar with work from home, should receive guidance to adjust and be productive
- They could be trained online, build high-quality plans and participate to imagine the Post-Covid-19 world

## Introduction

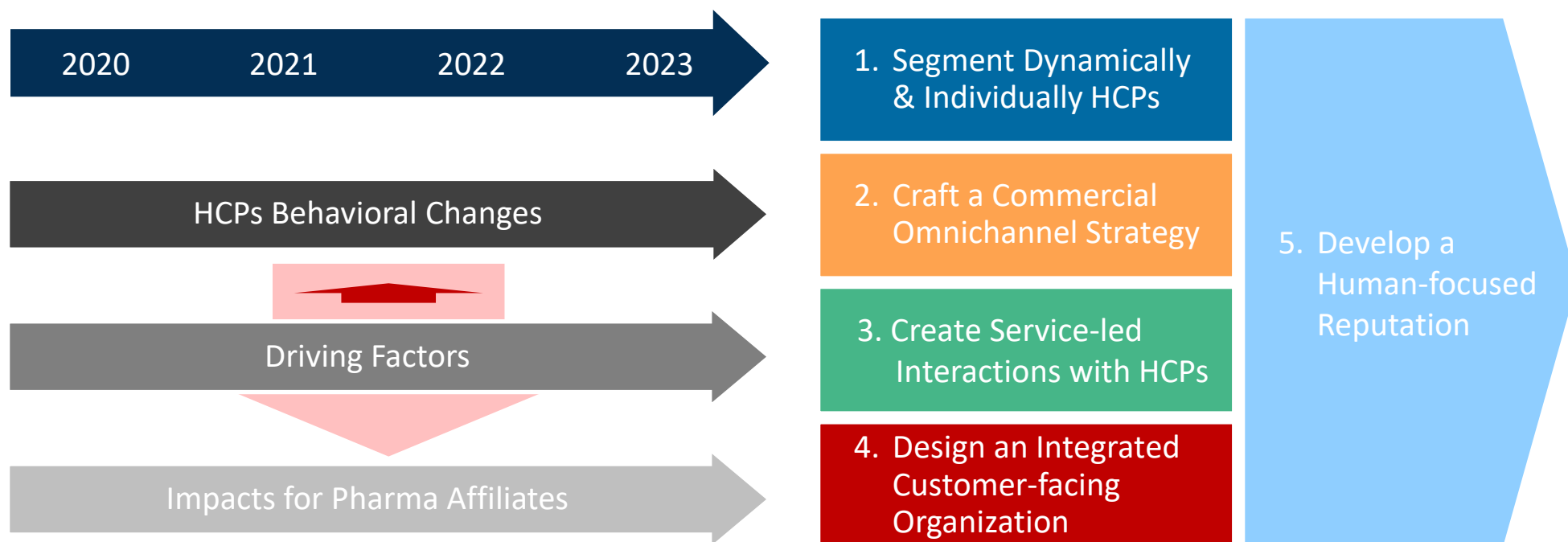
**To optimize HCPs engagement in the Post-Covid-19 Era, Smart Pharma Consulting proposes a method and selected tools, while pre-defining five essential business priorities**

– Part 1 –

HCPs Behavioral Changes & Impacts

– Part 2 –

Pre-defined Priorities

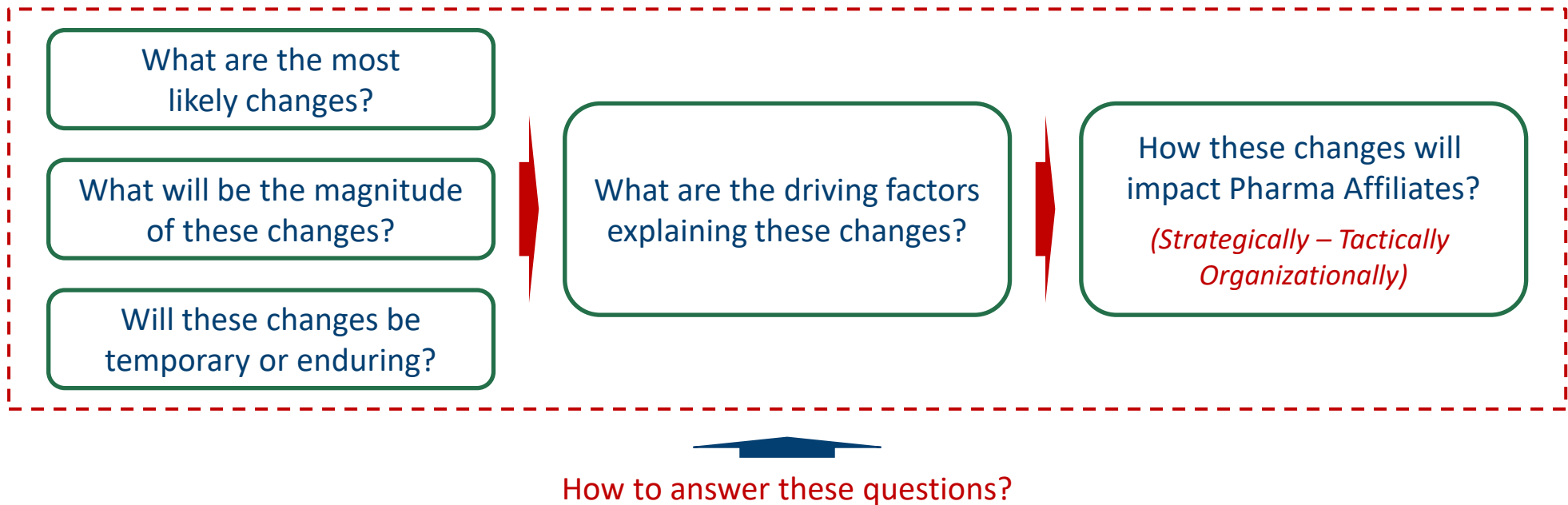


## Part 1 – HCPs Behavioral Changes & Implications

**At this stage of the crisis, it is impossible to figure out to which extent HCPs behavior with Pharma Affiliates is going to change, but it is the right time to start investigating**

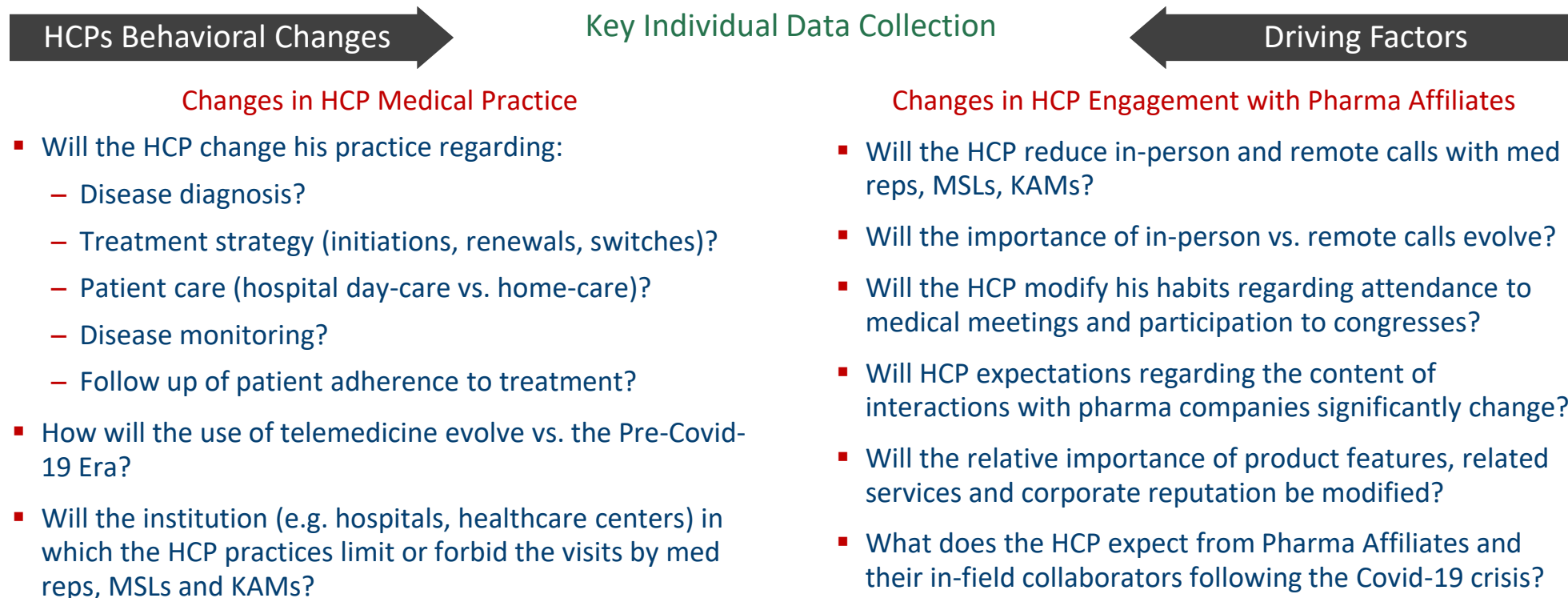
### Issues to be addressed

- Regarding HCPs behavioral changes induced by the Covid-19 outbreak and relevant to Pharma Affiliates, the following key issues should be addressed:



## Part 1 – HCPs Behavioral Changes & Implications

**The most relevant method to prefigure the Post-Covid-19 behavior of HCPs is to collect data from each individual HCP, by in-field collaborators of Pharma Affiliates**



**Each question should be completed by the question “WHY?” to identify the corresponding driving factors**

## Part 1 – HCPs Behavioral Changes & Implications

**Changes in medical practices and engagement with Pharma Affiliates will vary in duration and magnitude according to each HCP and will have specific impacts at Pharma Affiliates**

Impacts for Pharma Affiliates

Data Analysis (1/2)

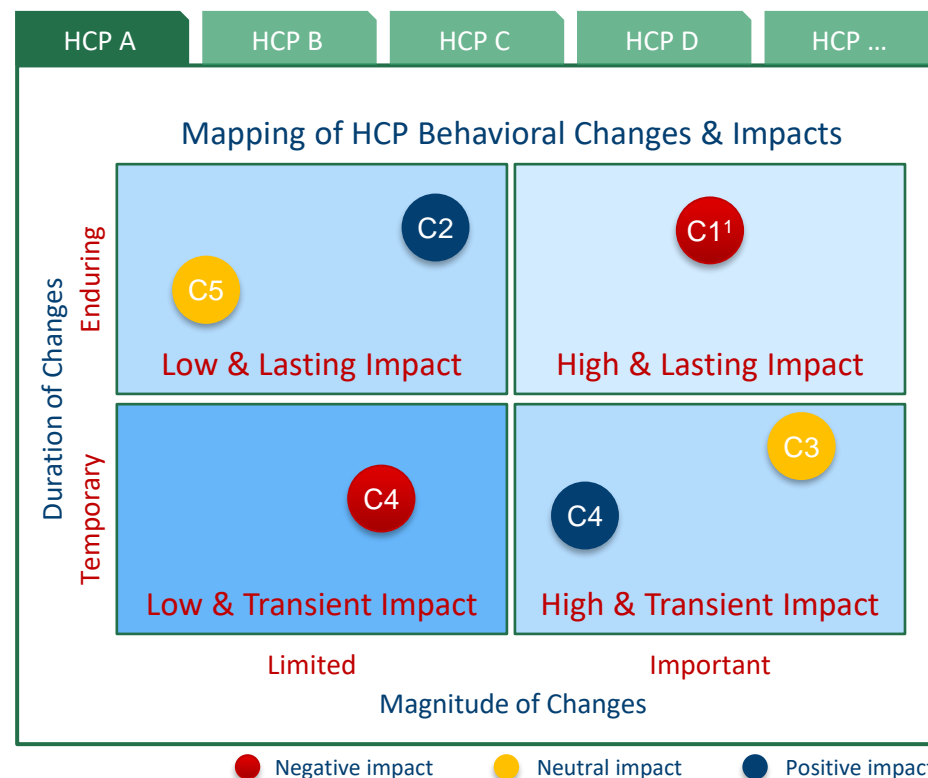
### Changes in HCP Medical Practice

- Will the HCP change his practice regarding:
  - Disease diagnosis?
  - Treatment strategy (initiations, renewals, switches)?
  - Patient care (hospital day-care vs. home-care)?
  - Disease monitoring?
  - Follow up of patient adherence to treatment?
- How will the use of telemedicine evolve vs. the Pre-Covid-19 Era?
- Will the institution (e.g. hospitals, healthcare centers) in which the HCP practices limit or forbid the visits by med reps, MSLS and KAMs?

### Changes in HCP Engagement with Pharma Affiliates

- Will the HCP reduce in-person and remote calls with med reps, MSLS, KAMs?
- Will the importance of in-person vs. remote calls evolve?
- Will the HCP modify his habits regarding attendance to medical meetings and participation to congresses?
- Will HCP expectations regarding the content of interactions with pharma companies significantly change?
- Will the relative importance of product features, related services and corporate reputation be modified?
- What does the HCP expect from Pharma Affiliates and their in-field collaborators following the Covid-19 crisis?

Each question should be completed by the question “WHY?” to identify the corresponding driving factors

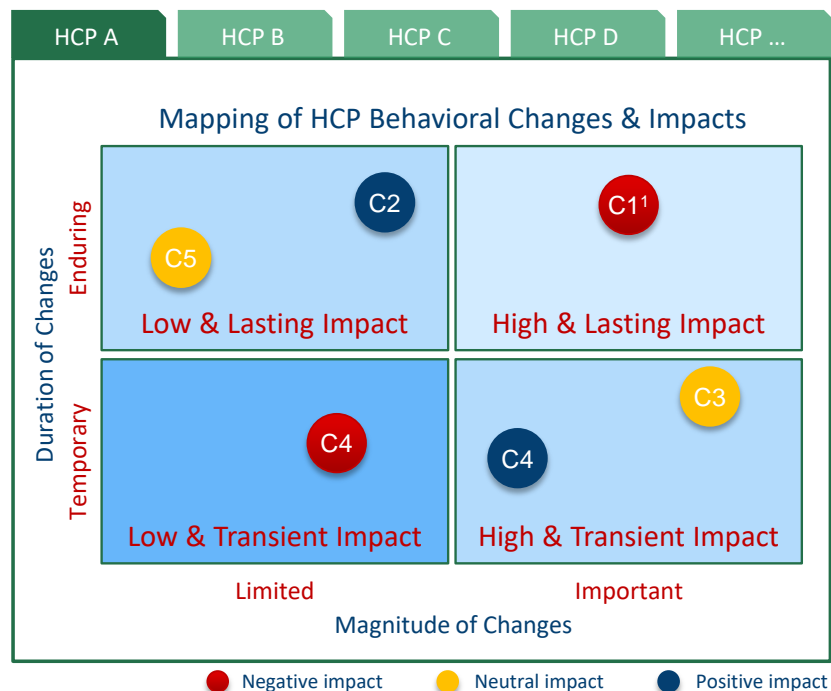


## Part 1 – HCPs Behavioral Changes & Implications

The identification of each HCP behavioral changes will help Pharma Affiliates figure out the strategic, tactical and organizational adjustments to be made to optimize their performance

Impacts for Pharma Affiliates

Data Analysis (2/2)



### Strategic Impact

- Which HCPs should be targeted by in-field collaborators?
- How to reinforce the brand value by strengthening the three components of the “Brand Preference Mix”:
  - Product attributes?
  - Associated services?
  - Corporate reputation?

### Tactical Impact

- Which interaction channels should be used per HCP?
- Who, from the pharma affiliate, should preferably engage with each of the targeted HCPs?
- How to adapt the content of interactions to each HCP?
- What is the optimal level of interaction per HCP?

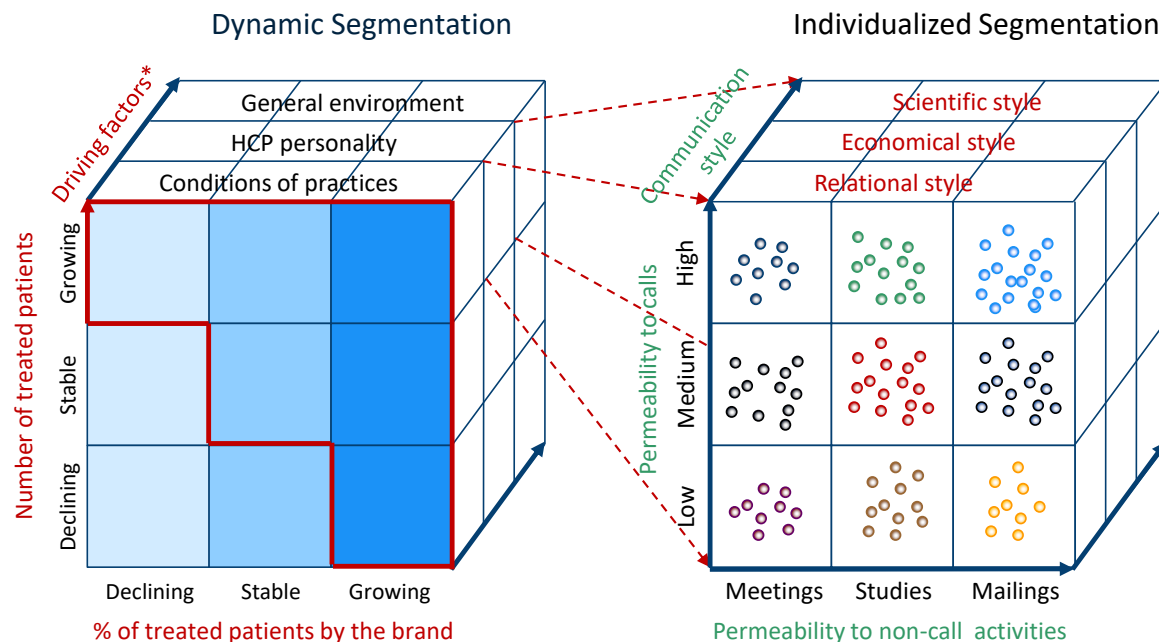
### Organizational Impact

- How to design / redesign the pharma affiliate organization re.:
    - Activities and competencies of in-field collaborators?
    - Structure<sup>2</sup> of medico-marketing and sales departments?
    - Key processes associated to interactions with HCPs?
    - Cultural aspects of HCPs engagement management?
- to best support the revised strategy and the tactics

## Part 2 – Pre-defined Priorities

The individual and dynamic segmentation of HCPs enables to optimize their targeting and to define the most efficient level and nature of interactions to modify favorably their behavior

### 1. Segment Dynamically & Individually HCPs



- The dynamic and individual segmentation is based on behavioral criteria and designed to optimize the efficacy and efficiency of medico-marketing and sales interactions per HCP
- This approach has been formalized by Smart Pharma Consulting under the name of BPS<sup>1</sup> and consists in:
  - Segmenting dynamically each HCP, based on the evolution of its number of treated patients and of the weight of the pharma affiliate brand used
  - Determining the key factors driving each HCP behavior (environment, personality and practice)\*
  - Evaluating the degree of permeability (accessibility and sensitivity) to medico-marketing and sales activities and channels (e.g. calls, meetings, studies)
  - Adapting the activity and channel mix, as well as the communication style to the personality dominance of each HCP (relational, economic, scientific)

\* Environment (e.g. patient flow, regulations, public health initiatives, reimbursement, drug prices, influencers)  
 Personality (e.g. early adopter, laggards, price-sensitive, science-driven)  
 Medical practice (e.g. hospital vs. office-based practice, prescribing habits, involvement in clinical studies)

## Part 2 – Pre-defined Priorities

The Individual HCP Portrait keeps a track record of each HCP behavior regarding the marketed brands and his permeability<sup>1</sup> to medico-marketing and sales interactions, and his personality traits

### 1. Segment Dynamically & Individually HCPs

Individual HCP Portrait

HCPs	Total patients / Brand MS <sup>2</sup>	Permeability to Calls / Non-calls	Personality dominance
A	Growing / Stable	High / Mailings	Relational
B	Stable / Growing	High / Meetings	Scientific
C	Stable / Stable	Medium / Meetings	Economic



Individual Resource Allocation per HCP

HCPs	Calls #	Meetings #	Studies #	Mailing #	Messages / Style
A	10	2	0	3	Dialogue / Services
B	6	3	0	0	Scientific
C	4	3	0	2	Economic

- It is necessary to collect, store, analyze and retrieve for each HCP:
  - The impact of his behavior re. the number of treated patients and the market share of the pharma affiliate brands
  - His permeability to medical calls and other non-call activities
  - His personality traits
- In-field collaborators should be involved in the collection of those data, which should be updated on an ongoing basis
- The “Individual HCP Portrait” is used to set, per HCP:
  - The optimal level and mix of medico-marketing and sales activities
  - The appropriate message content and style of communication
  - This proposed approach helps to acquire a better understanding of factors driving HCPs behavior, and especially their brand preference

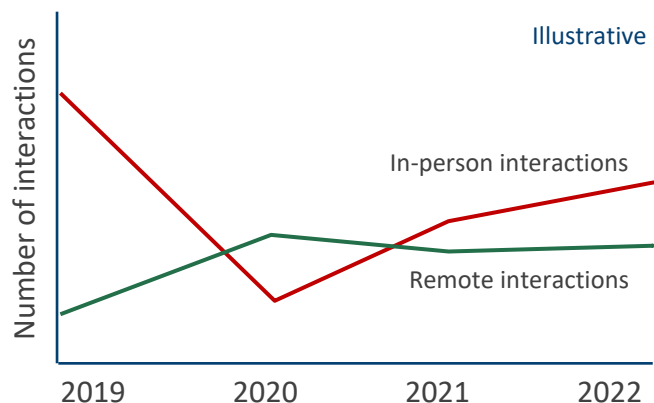


## Part 2 – Pre-defined Priorities

**The absolute priority for Pharma Affiliates is to maintain regular contacts with each targeted HCP by offering the content he wants through the coordinated combination of channels he prefers**

### 2. Craft a Commercial Omnichannel Strategy

Evolution of in-person vs. remote interactions between Pharma Affiliates & HCPs



- In the Covid-19 outbreak context, in-person interactions between pharma affiliates and HCPs have fallen and been partially offset by remote contacts
- Until the Covid-19 crisis occurred, ~70% of medico-marketing and sales total interactions were coming from in-person contacts
- If most HCPs expect in-person interactions to resume after the crisis, they will reduce the overall number of interactions with in-field collaborators<sup>1</sup>, while increasing the weight of remote interactions in their contact mix<sup>2</sup>
- Therefore, to keep regular contacts with HCPs, Pharma Affiliates can craft an omni-channel strategy which consists in using multiple channels (media) in an integrated approach to optimize their impact
- For so doing, every channel must inter-relate to provide HCPs with consistent and high-value content provided by multiple sources

## Part 2 – Pre-defined Priorities

**Digital channels are not the panacea to cope with the Post-Covid-19 Era but, if well-executed and integrated into an individualized omni-channel strategy, they can help engage HCPs**

### 2. Craft a Commercial Omnichannel Strategy

#### Five Rules for an Effective Omnichannel Strategy per Individual HCP



Rule #1

Identify each HCP preferred channels and usage patterns (e.g. frequency, time of the day, duration)

Rule #2

Select one or several channels (in-person and/or remote, non-digital and/or digital) to be combined, according to the sought objective (e.g. message to convey, partnership to propose, service to offer)

Rule #3

Adapt the content and the format to the channel specificities

Rule #4

Plan carefully the execution of the omnichannel strategy while defining the right sequence of channels and the right timing

Rule #5

Monitor the quality of execution with KEIs<sup>1</sup> and the impact of the omnichannel strategy with KPIs<sup>2</sup>

## Part 2 – Pre-defined Priorities

**The purpose of service-led interactions is to secure access to stakeholders, and especially to HCPs, while boosting their preference for the company's product portfolio**

### 3. Create Service-led Interactions with HCPs<sup>1</sup>

- In the case of physicians, an interaction (e.g. medical call, medical meeting) perceived as a service will lead to more regular contacts and...
- ... to a better memorization of the interaction content, a higher probability to convince them and an increased preference to the company's product portfolio

- A service-led interaction is characterized from the...



... Physician  
perspective...

... Med Rep  
perspective...



... by an interaction which is...

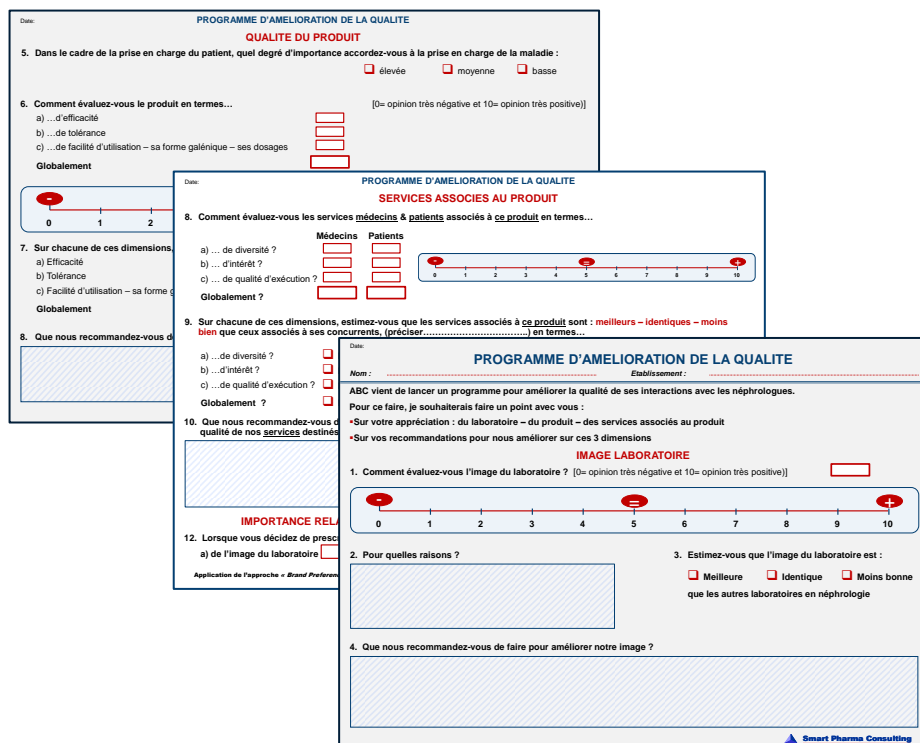
- ... Interesting
- ... Useful
- ... Well executed

- ... Memorable
- ... Convincing
- ... Preferential

## Part 2 – Pre-defined Priorities

The medical reps should measure once a year, during a face-to-face meeting, the opinion of each physician, and its evolution, regarding the quality of their interactions

### 3. Create Service-led Interactions with HCPs<sup>1</sup>



**PROGRAMME D'AMELIORATION DE LA QUALITE**  
**QUALITE DU PRODUIT**

5. Dans le cadre de la prise en charge du patient, quel degré d'importance accordez-vous à la prise en charge de la maladie : ☐ élevée ☐ moyenne ☐ basse

6. Comment évaluez-vous le produit en termes... [0= opinion très négative et 10= opinion très positive]

a) ... d'efficacité ☐

b) ... de tolérance ☐

c) ... de facilité d'utilisation – sa forme galénique – ses dosages ☐

Globalement ☐

7. Sur chacune de ces dimensions :

a) Efficacité ☐

b) Tolérance ☐

c) Facilité d'utilisation – sa forme galénique ☐

Globalement ☐

8. Que nous recommandez-vous de... ☐

**PROGRAMME D'AMELIORATION DE LA QUALITE**  
**SERVICES ASSOCIES AU PRODUIT**

8. Comment évaluez-vous les services **médecins** & **patients** associés à ce produit en termes... [0= opinion très négative et 10= opinion très positive]

a) ... de diversité ? ☐

b) ... d'intérêt ? ☐

c) ... de qualité d'exécution ? ☐

Globalement ? ☐

9. Sur chacune de ces dimensions, estimez-vous que les services associés à ce produit sont : **mieux** – **identiques** – **moins** **bien** que ceux associés à ses concurrents, (préciser...) en termes... ☐

a) ... de diversité ? ☐

b) ... d'intérêt ? ☐

c) ... de qualité d'exécution ? ☐

Globalement ? ☐

10. Que nous recommandez-vous de... ☐

**PROGRAMME D'AMELIORATION DE LA QUALITE**  
**IMAGE LABORATOIRE**

1. Comment évaluez-vous l'image du laboratoire ? [0= opinion très négative et 10= opinion très positive]

2. Pour quelles raisons ? ☐

3. Estimez-vous que l'image du laboratoire est : ☐ Meilleure ☐ Identique ☐ Moins bonne que les autres laboratoires en néphrologie

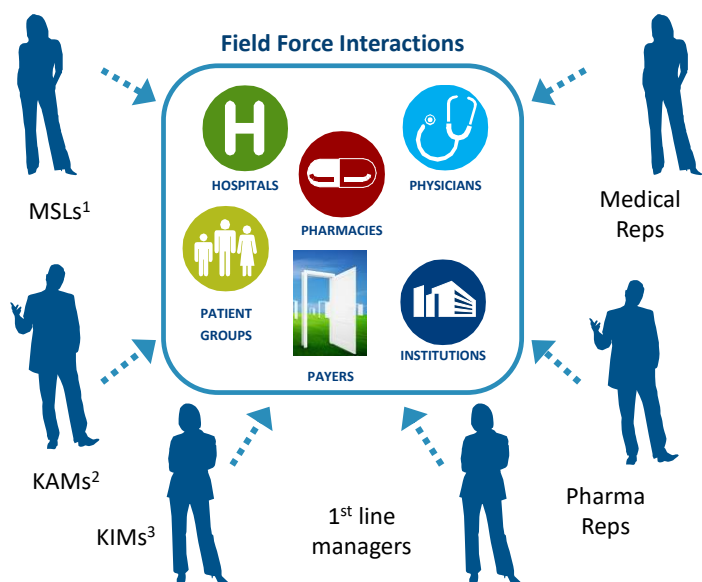
4. Que nous recommandez-vous de faire pour améliorer notre image ? ☐

- The evaluation of the quality of the medical calls, as perceived by each physician, can be integrated in the measurement of the three components of the Brand Preference Mix:
  1. The perception of the promoted brand (efficacy, safety, convenience)
  2. The quality of the services proposed, amongst which the content of the medical calls
  3. The reputation of the Pharma Affiliate
- This measurement provides the medical reps with:
  - A better knowledge and understanding of the physician
  - A more robust identification of the specific actions and messages the most likely to strengthen the brand preference

## Part 2 – Pre-defined Priorities

To achieve Excellence in Execution, companies must design a holistic organizational system that will foster the search for excellence by all their collaborators, front line and back-office ones

### 4. Design an Integrated Customer-facing Organization



- **Field Force Activities:**
  - Stop activities having no significant impact to raise / maintain brands' value
  - Acquire a high level of market insights<sup>4</sup>
  - Propose and deliver highly valued services, and leverage the corporate image<sup>5</sup>
- **Field Force Structure:**
  - Set up a flat organizational chart to favor accountability and empowerment
  - Design an adaptative structure that can be easily modified to environment changes
  - Co-position functions (e.g. MSLS and medical reps) that share the same customers
- **Field Force Processes:**
  - Foster / impose cross-functional collaboration and cohesion to leverage synergies
  - Carefully plan key activities and monitor the quality of their execution and their impact with key execution indicators (KEIs) and key performance indicators (KPIs)
- **Field Force Culture:**
  - Develop a culture of customer preference to increase brand market share
  - Encourage pro-activity, agility and experiment to find solutions to excel in execution

## Part 2 – Pre-defined Priorities

**Covid-19 crisis has shown the fragility of our overall society and led many citizens, including HCPs, to reflect on the meaning of their life and to refocus their priorities on human values**

### 5. Develop a Human-focused Reputation

#### Pharma Industry Reputation & Covid-19 Crisis

- Most pharma companies have been exemplary in managing their collaborators and their customers since the beginning of the Covid-19 outbreak:
  - They have shown kindness to their employees for whom the lockdown has been a challenge
  - They have secured the supply of drugs on the hospital and retail pharma markets
  - They put themselves at disposal of stakeholders, especially HCPs in case of specific needs
- They have a great opportunity to strengthen ties with their collaborators – even if these ties remain fragile considering the upcoming economic crisis and increasing price pressure expected on drugs

#### Implications for Pharma Affiliates Reputation

- If the pharma industry reputation is unlikely to change dramatically, as a result of the Covid-19 crisis, there is, however, a window of opportunity for individual affiliates
- Corporate reputation is particularly important to enhance HCPs brand preference when products are little differentiated, which is the great majority of cases
- Pharma corporate reputation, from HCPs perspective, is mainly driven by:
  - The quality of their product pipeline and portfolio
  - The quality of their relationships
  - The quality of services offered to HCPs and patients
  - Their societal commitments and their “HUMANITY”

**“The general feeling is that so far, pharma companies did the job”**

## Part 2 – Pre-defined Priorities

**Pharma Affiliates should craft and implement a strategy to do “business with more humanity” and communicate regularly on the corresponding benefits for its stakeholders**

### 5. Develop a Human-focused Reputation

#### Why Pharma Affiliates should be Human-focused?

- During the Covid-19 crisis, pharma companies and their affiliates have shown their humanity by giving priority to the security of their employees and by supporting their customers
- It is probably the right time for pharma CEOs to manage their company for the benefits of all stakeholders (i.e. employees, customers, suppliers, communities, shareholders)
- Customers, including HCPs, want – more than ever – to interact and collaborate with companies having put human relationships at the heart of their corporate purpose



#### 5 Imperatives Pharma Affiliates should put in Practice<sup>1</sup>

1. Meet or exceed HCPs and other customers (e.g. patients, PAGs, payers, health authorities) expectations
2. Invest in employees by offering fair compensation, supporting their development while respecting them
3. Deal fairly and ethically with suppliers
4. Implement corporate social responsibility (CSR) programs likely to have a significant benefit for the society on economic, social and environmental aspects
5. Generate long-term value for shareholders by being a human-focused company and proving it on a day-to-day basis

**“In the Post-Covid-19 Era, customers will favor companies with a deep human purpose”**

### 3. Key takeaways

**These five pre-defined priorities should help Pharma Affiliates adjust to the change of the HCPs expectations, so that to keep them engaged in the Post-Covid-19 Era**

#### 5 Pre-defined Priorities

##### 1. Segment Dynamically & Individually HCPs

- The individual and dynamic segmentation of HCPs enables to optimize their targeting...
- ... and to define the most efficient level and nature of interactions to modify favorably their behavior

##### 3. Create Service-led Interactions with HCPs

- The purpose of service-led interactions is to secure access to stakeholders, and especially to HCPs...
- ... while boosting their preference for the company's product portfolio

##### 2. Craft a Commercial Omnichannel Strategy

- Digital channels are not the panacea to cope with the Post-Covid-19 Era...
- ... but, if well-executed and integrated into an individualized omni-channel strategy, they can help engage HCPs

##### 4. Design an Integrated Customer-facing Organization

- To achieve Excellence in Execution, companies must design a holistic organizational system that will foster the search for excellence by all their collaborators, front line and back-office ones

##### 5. Develop a Human-focused Reputation

- Pharma Affiliates should craft and implement a strategy to do "business with more humanity"...
- ... and communicate regularly on the corresponding benefits for its stakeholders



# Global Pharma Market & Covid-19 Impact

MARKET INSIGHTS SERIES (#14)

## 2019-2024 Perspectives

*“Wrong decisions are often due  
to weak market insights”*

Position Paper

July 2020

## Introduction



**Smart Pharma Consulting proposes to share insights regarding 8 topics that are essential to play and to win in the pharmaceutical industry**

- This position paper provides specific insights for those who want to anticipate the global pharma market evolution over the 2019-2024 period, while considering the impact of the Covid-19
- We have selected 8 topics for which we share our knowledge and thoughts:

### Part A - Pharma Market Insights

1. Size and Dynamics by Geography
2. Size and Dynamics by Business
3. Attractiveness
4. Access to Market



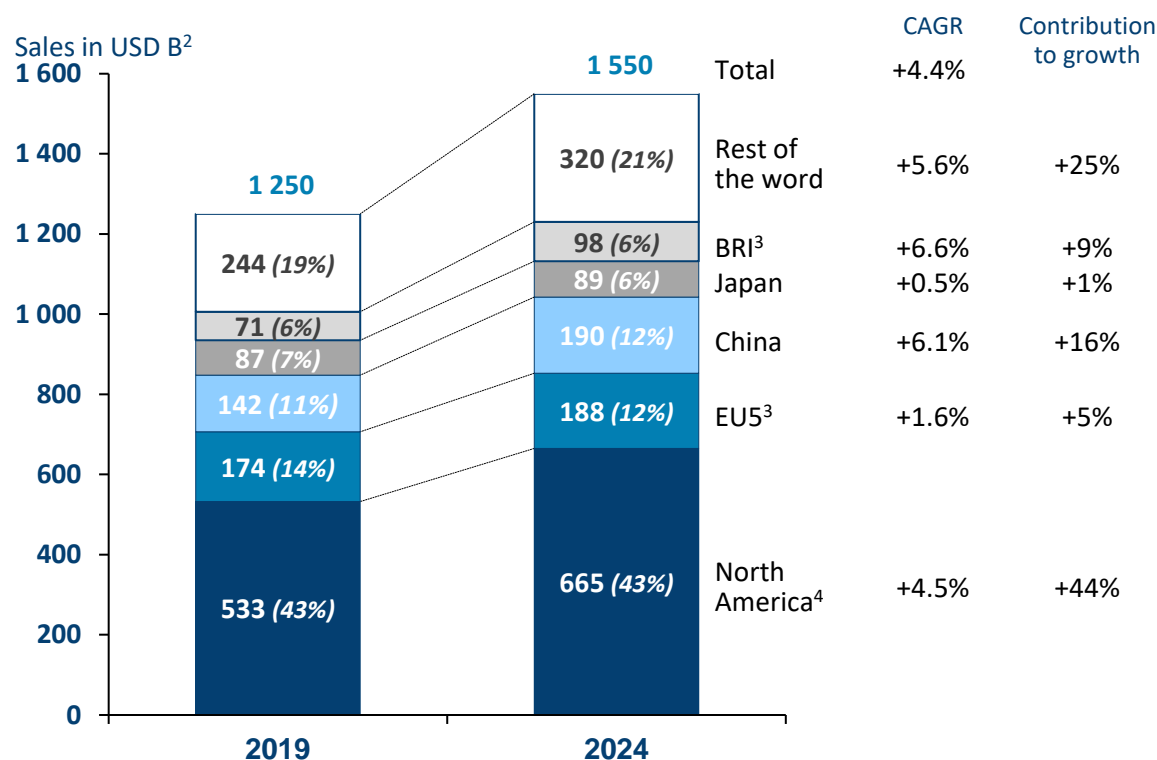
### Part B - Pharma Company Insights

5. Strategic Directions
6. R&D Operations
7. Manufacturing & Supply Chain Operations
8. Medico-Marketing & Sales Operations

## Part A – Pharma Market Insights – 1. Size and Dynamics by Geography



Sales of EU5<sup>1</sup> should grow slowly by 2024 due to stringent cost containment measures leading to a two-point decrease of their weight in the global pharmaceutical market

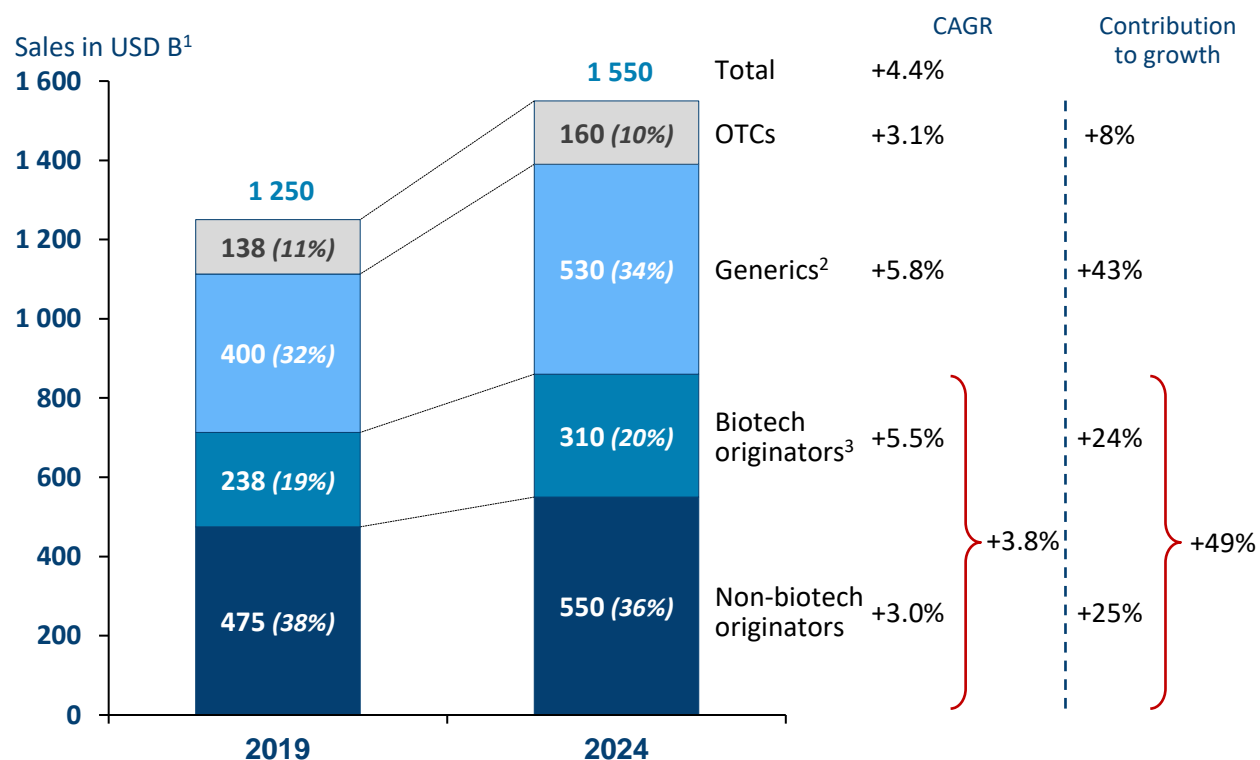


- The global pharma market is expected to grow with of a **CAGR of +4.4%** by 2024 including the impact of Covid-19, that should negatively **impact volumes** over 4 to 6 months **in 2020** and lead to **higher pressure** on **prices** worldwide in the next 5 years
- **EU5** countries account together for only 14% of the global pharma market (Germany: 4%, France: 3%, Italy: 3%, UK: 2% and Spain: 2%) and should see their **weight drop by 2 points** by 2024, **due** to higher **price pressure** than in the average of the other countries
- **North America** should continue to weigh for 43% of the global pharma market in value and contribute to **44% to worldwide market growth** over the 2019 – 2024 period

## Part A – Pharma Market Insights – 2. Size and Dynamics by Business



All the business segments of the pharma market will be affected by the Covid-19 crisis through a volume effect in 2020 and a strong price pressure over the 2019-2024 period

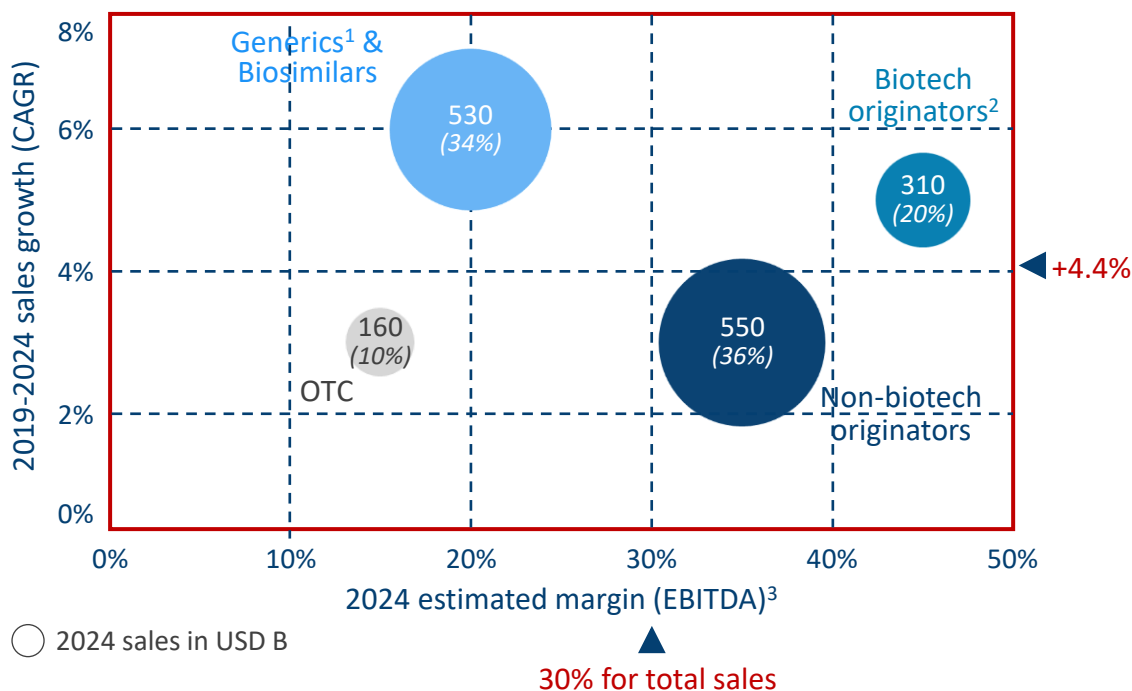


- **OTCs**, which should remain the smallest segment of the global pharma market, has been significantly **affected** by the **Covid-19** crisis, especially **during the lockdown** period and the **following months**
- **Generics** and **biosimilars** should continue to **grow in volume** due to patents expiry, but **pressure on prices** should **intensify** on this market segment
- **Biotech originators** should become the main **driver of innovation** in the next 5 years
- **Non-biotech originators** should be less dynamic, but they should remain the **largest segment** of the global pharma market

## Part A – Pharma Market Insights – 3. Attractiveness



By 2024, the sales growth of the pharma market should be essentially driven by generics and biotech originators, but pharma companies should lose two points of profitability



- By 2024, the **global pharma market** should reach USD 1,550 B and grow at a pace of **+4.4% per year**, i.e. 1.8 point of percentage above the forecasted worldwide economic growth, but **0.6 point below the pre-Covid-19 estimates**
- The average **EBITDA** of the Pharma industry should **decrease** from **~32%** in 2019 to **~30%** in 2024, mainly as a result of increasing price pressure
- In 2024, the average profitability of pharma companies should remain more than 4 times higher than the average of all other business sectors
- The **biotech** segment will **remain very attractive** but **biosimilar** competition will **ramp up**
- The OTC segment appears to be the least attractive

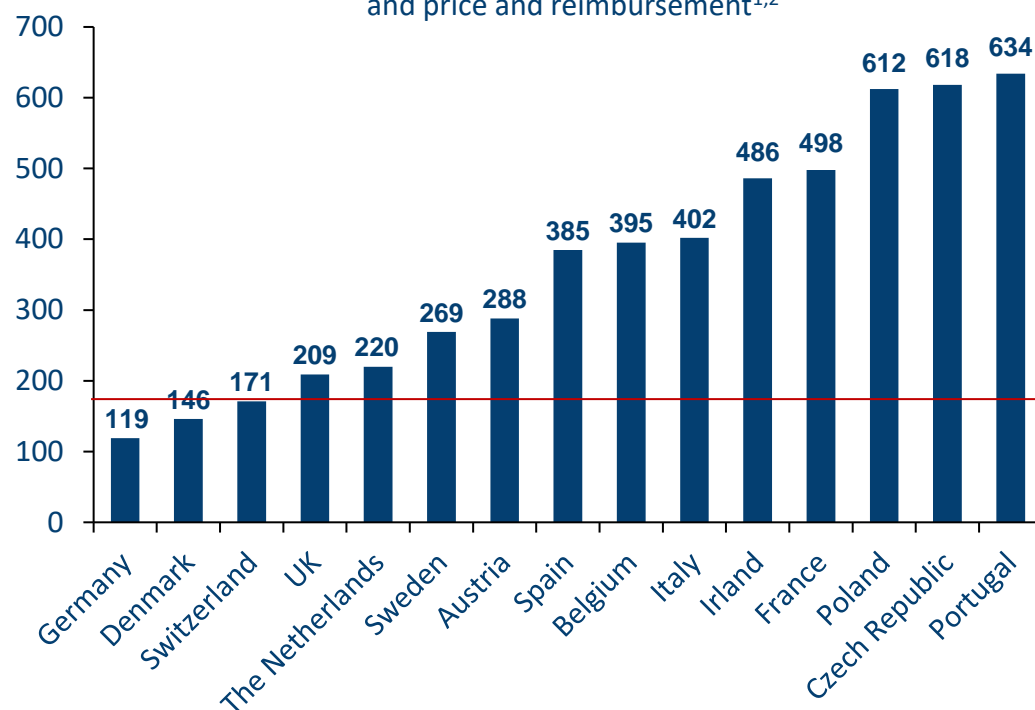
Worldwide economic growth – CAGR 2019-2024: +2.6%

## Part A – Pharma Market Insights – 4. Access to Market



The Covid-19 crisis will have a negative impact, irrespective of the countries, over the 2019-2024 period due to lockdown restrictions and its economic consequences

Median time in days between marketing authorization and price and reimbursement<sup>1,2</sup>



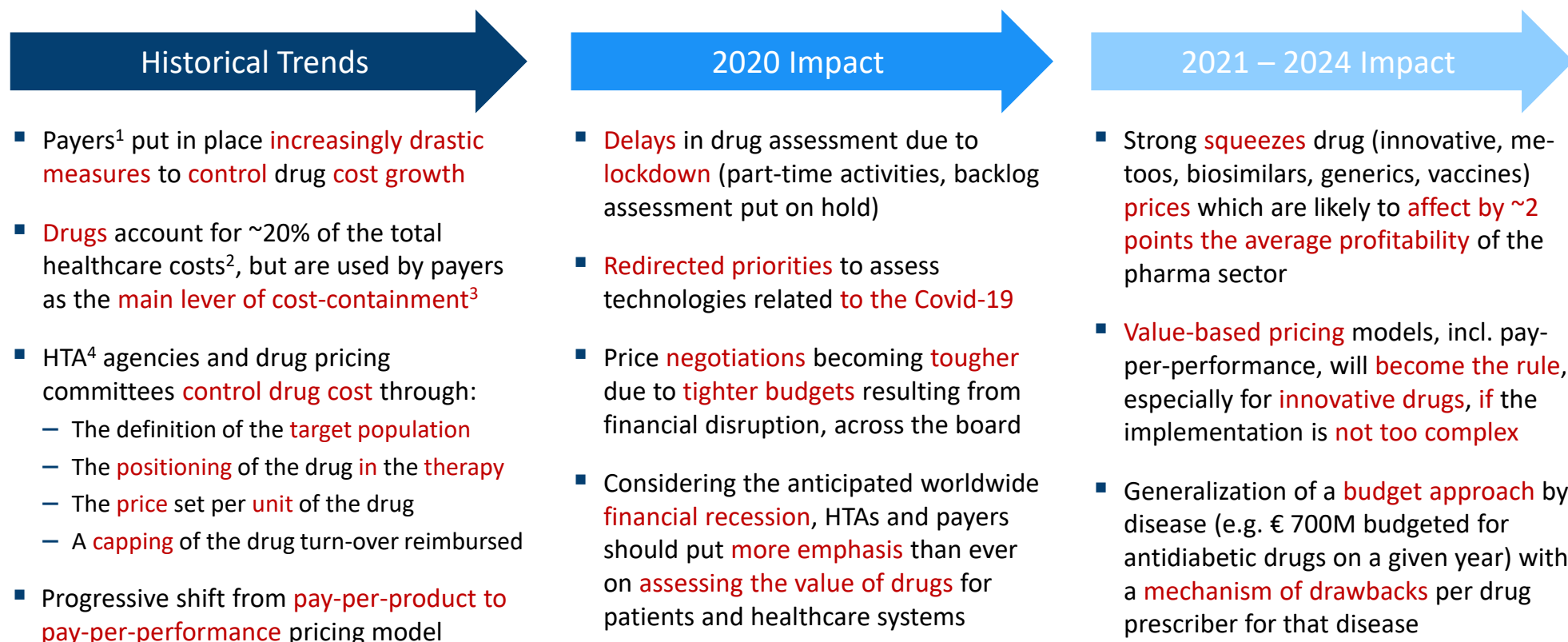
2018 analysis based on a sample of 121 products approved by EMA (European Medicines Agency) between January 2015 and December 2017

- The Covid-19 pandemics should **defer** the **availability** of new medicines in all countries, **due to**:
  - **Lockdown** measures having delayed the assessment of drug registration and market access negotiations
  - The **induced economic crisis** which will lead to stricter cost containment measures
- In **most** European **countries**, **delays** between marketing authorization and drugs availability **exceed** the **180 days** recommended by the European Commission
- The **UK** and **Germany** have **no delay** since reimbursement and price negotiations occur once the product is in the market
- **Delays vary widely**, due to the time required to obtain their inclusion on reimbursement list and to agree on a price
- **Delays** are **harmful** for **pharma companies** which face a loss of revenues<sup>1</sup> and **patients** who do not have access to innovation
- The **slowing down** of the pricing and reimbursement approval **process** is used by several countries to **contain** the **cost of new drugs** with a **price likely** to be **higher** than the **existing ones**
- The delay is also often due to the **difficulties** for the drug pricing committee and the pharma company **to come to an agreement**

## Part A – Pharma Market Insights – 4. Access to Market



**Drug price pressure imposed by public or private payers is going to intensify, more than ever, irrespective of the value created**



## Part B – Pharma Company Insights – 5. Strategic Directions



Best performers are focused on innovative Rx-bound drugs and generate an important share of their revenues from the USA, which is the most profitable and dynamic market

### Top 20 pharma companies Strategic Mapping<sup>1</sup>



*Note: Rx Branded focused: Original Rx-bound drugs and vaccines ≥ 75% of total product sale – Geographically focused: >50% of sales in a single geographical region (e.g. USA, Europe, Japan, etc.)*

Sources: Companies annual reports (2018) – Smart Pharma Consulting analyses

<sup>1</sup> Top 20 pharma companies based on their prescription sales – <sup>2</sup> France, Germany, Italy, Spain, UK  
 – <sup>3</sup> Including segments of the population with lower income and/or from rural areas

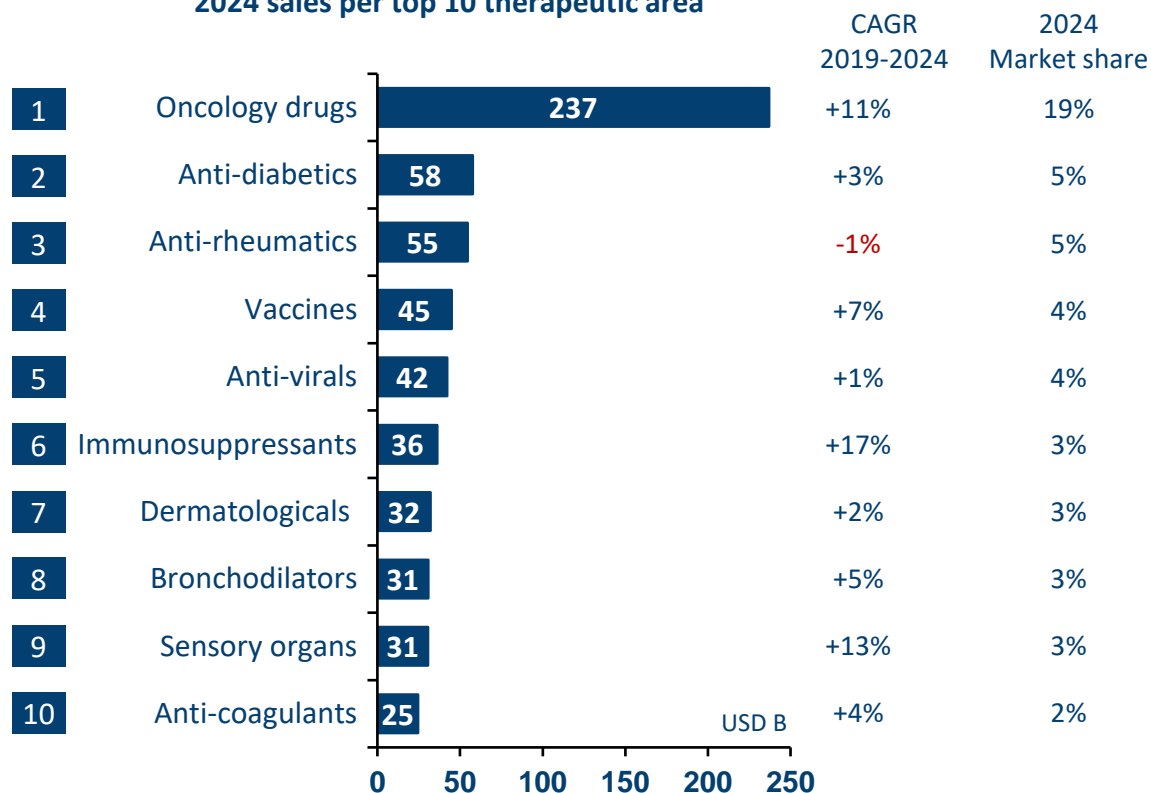


## Part B – Pharma Company Insights – 6. R&D Operations




The important growth in oncology will be mainly driven by anti PD-1 products while immunosuppressants will benefit from an increased incidence of chronic diseases

2024 sales per top 10 therapeutic area

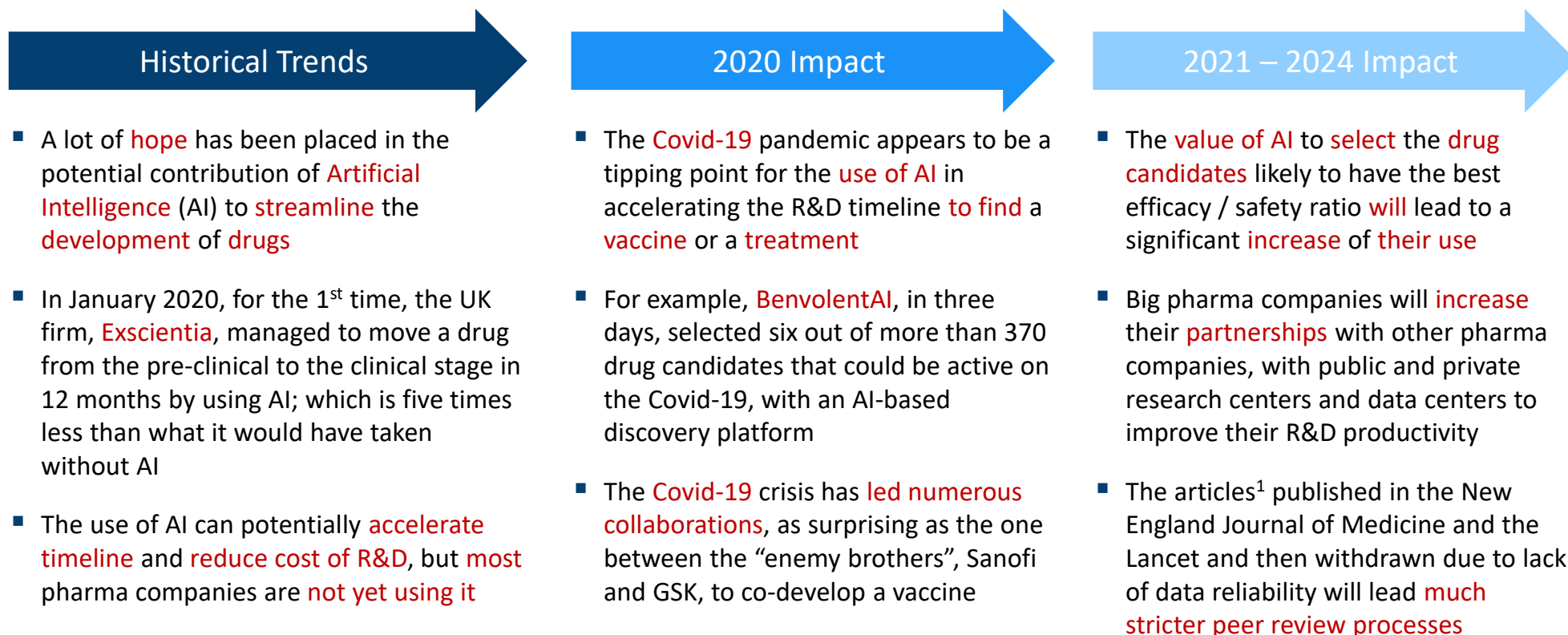


- The 2024 therapeutic area forecasts shows the steadily **increasing weight** of **specialty products**, **sustained by** the development of **new biological drugs**
- **Oncology** prevails as the leading therapeutic area and will be notably **driven by** the growth of **PD-1 inhibitors**
- **Immunosuppressants** will have the **highest CAGR** through 2024, driven by the incidence of chronic diseases and the use of immunotherapeutic agents in clinical development for other therapeutic areas
- **Biosimilars** are beginning to make their mark on **the anti-rheumatic segment**, which should see a decline in its CAGR despite the high drive in sales from JAK inhibitors
- If a vaccine and/or a treatment for the **Covid-19** were discovered, the **Vaccines** and the **Anti-virals** segments **could be boosted** over the period

## Part B – Pharma Company Insights – 6. R&D Operations



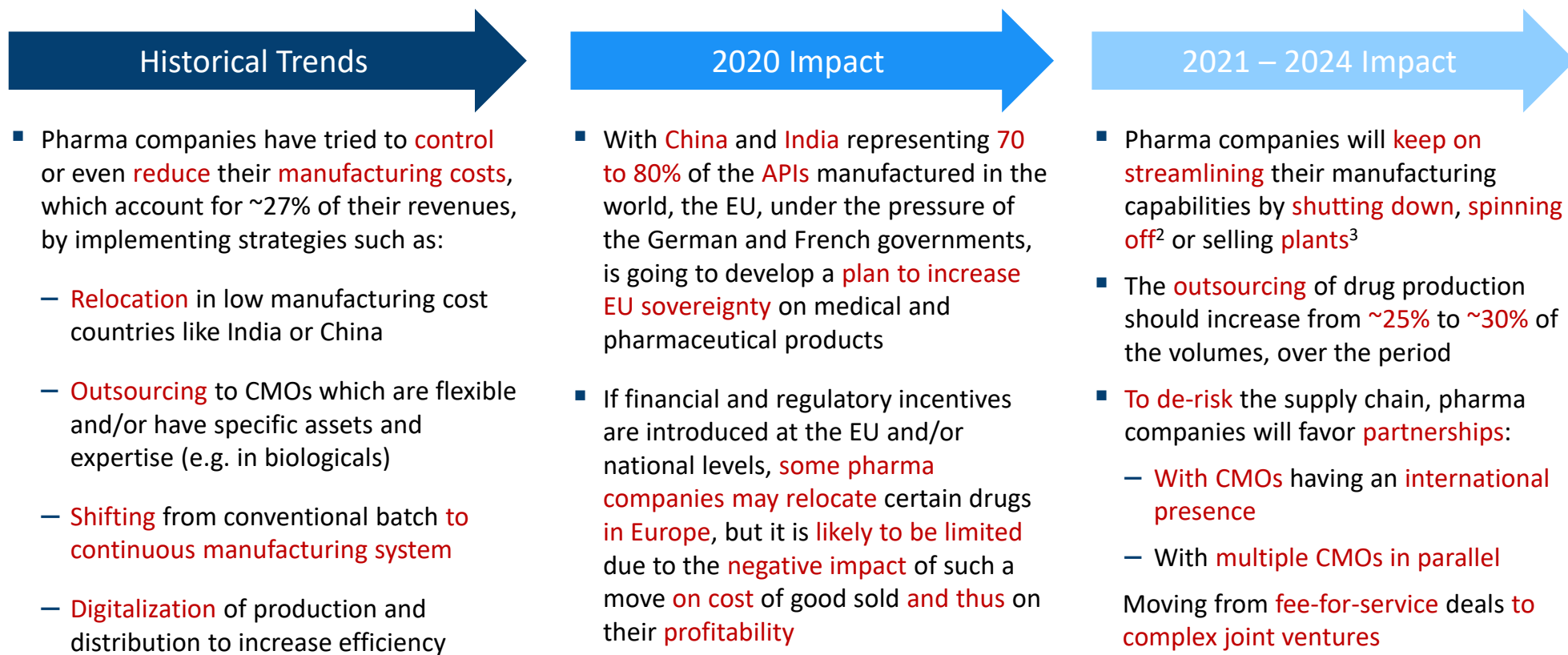
**The Covid-19 crisis should contribute to accelerate AI use and further increase partnerships between pharma players to speed up the development of new drugs**



## Part B – Pharma Company Insights – 7. Manufacturing & Supply Chain Operations



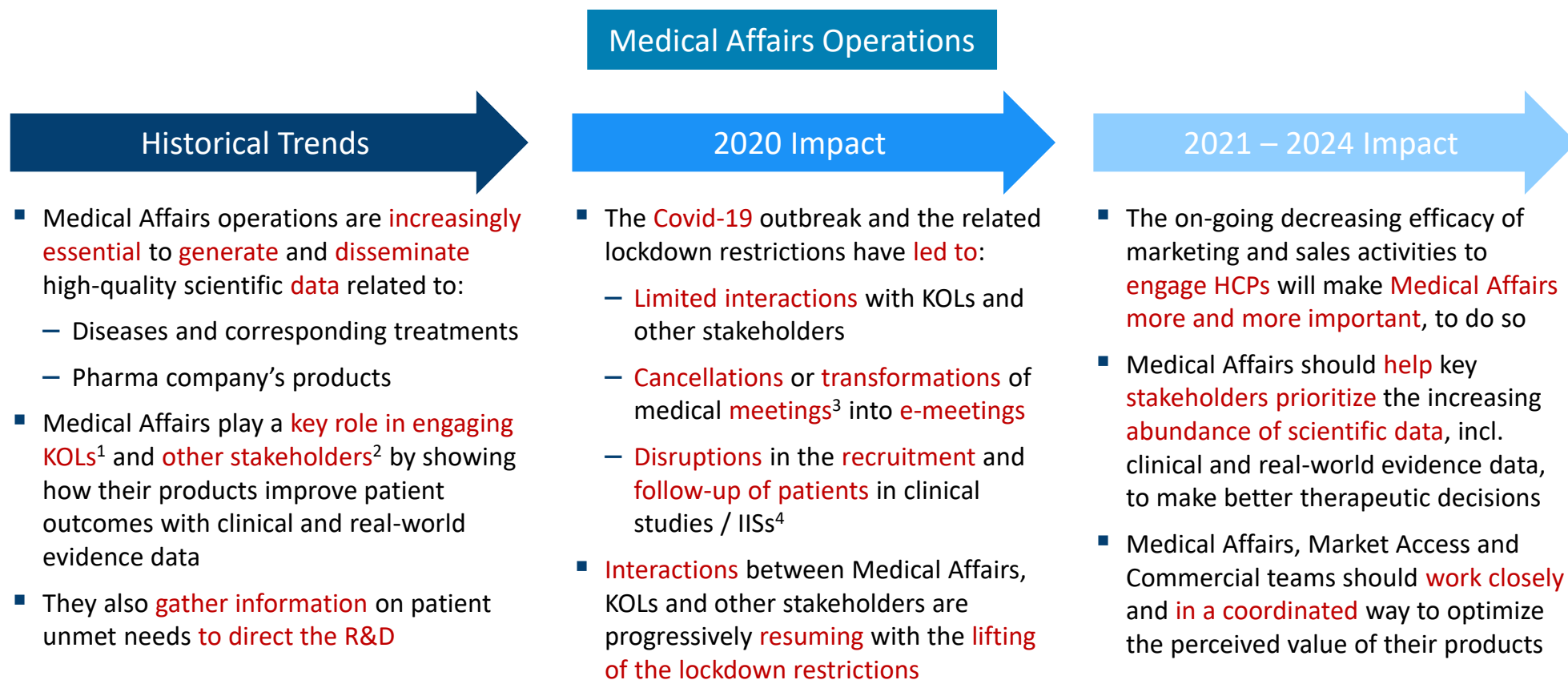
The Covid-19 crisis might lead to relocate the manufacturing of certain essential drugs in Europe, while CMOs<sup>1</sup> should account for ~30% of the drugs produced by the end of 2024



## Part B – Pharma Company Insights – 8. Medico Marketing & Sales Operations



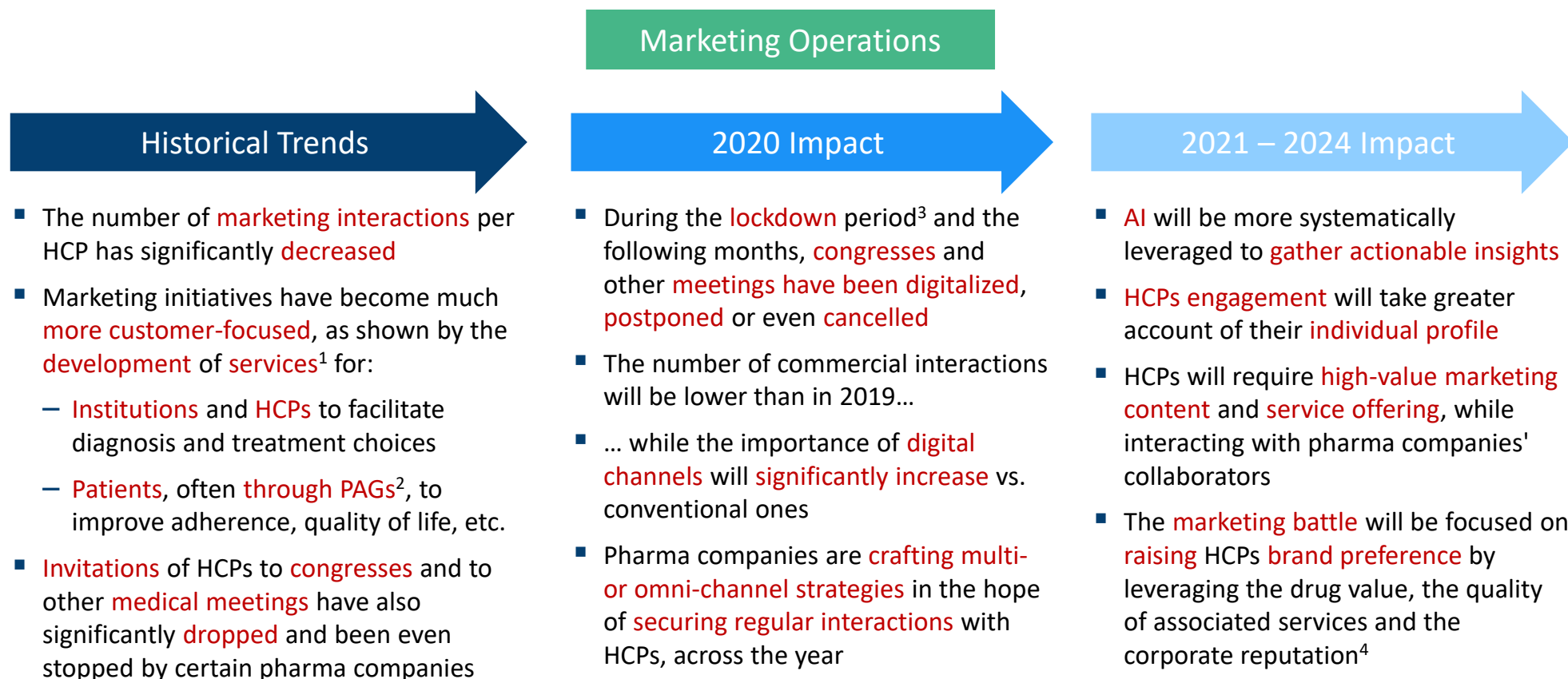
Medical Affairs will become, more than ever, essential to engage KOLs and other key stakeholders to take the full benefit of the products pharma companies offer



## Part B – Pharma Company Insights – 8. Medico Marketing & Sales Operations



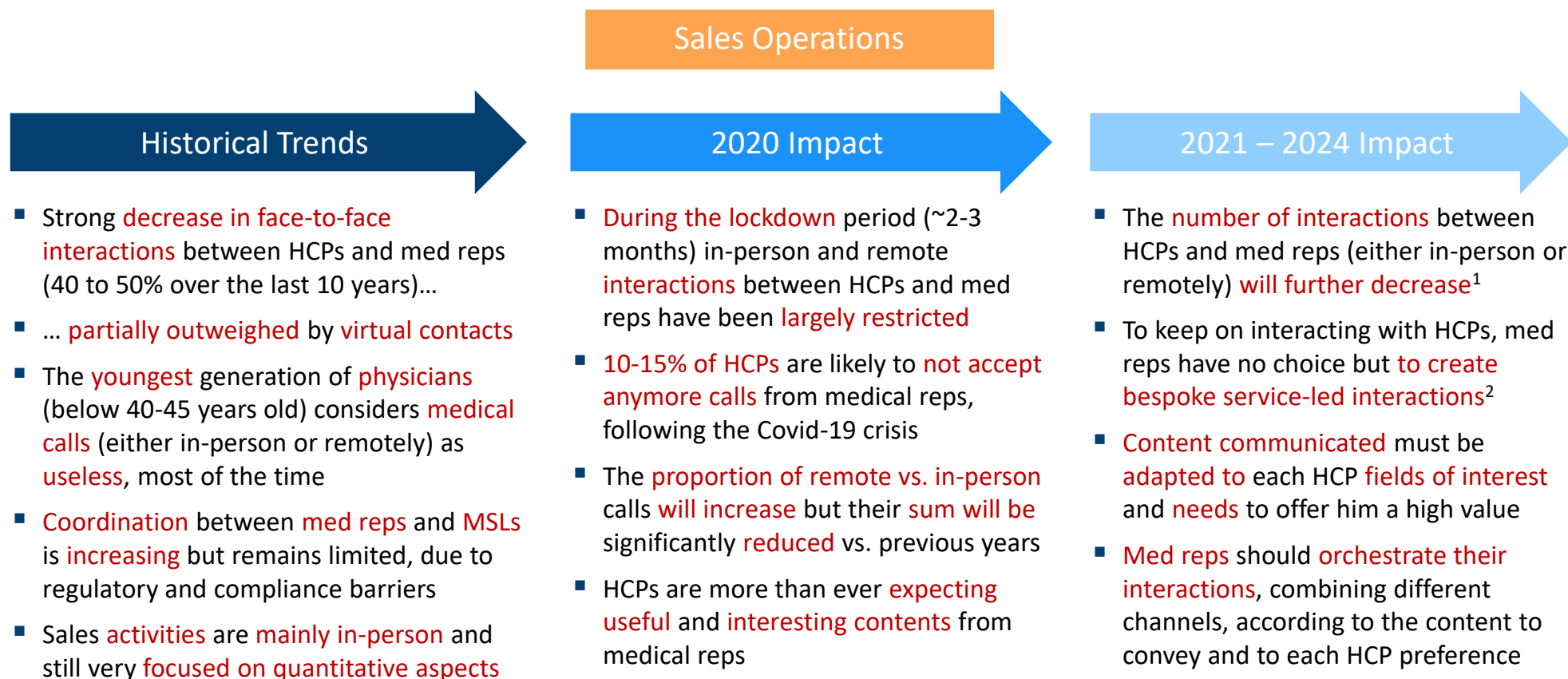
Pharma marketing strategies should, more than ever, focus on offering high-value content and building strong relationships, so that to raise HCPs preference for marketed brands



## Part B – Pharma Company Insights – 8. Medico Marketing & Sales Operations



To positively influence HCPs, med reps should be able to carry out regular and highly valued interactions – either in-person or digital – and propose them useful services



## Conclusions



**The Global Pharmaceutical Market will remain very attractive despite a much stronger pressure on drug prices, partly outweighed by early and broader access to patients**

### Global Pharma Market Perspectives 2019-2024

#### Market Opportunities

- Despite the Covid-19, the **pharma market** should **increase by 4.4% p.a.**, on average, over the 2019-2024 period
- **Access to high quality healthcare** is the **top priority** of governments and citizens
- Boosted opportunities to discover new treatments – such as for a Covid-19 vaccine – through partnerships:
  - **Public-Private** with academics<sup>1</sup> or public funds<sup>2</sup>
  - **Private-Private** with other pharma companies<sup>3</sup>

#### Market Threats

- **Increasing price pressure** on all categories of drugs (innovative or not, reimbursed or not) from public and private health insurers; and from patients for OTCs
- **Higher risks** and **stricter regulations** re. R&D and registrations, leading to higher costs to launch innovations
- Increasing **difficulties** to **interact with healthcare professionals** to inform them or create partnerships due to lack of interest and time, and regulatory constraints

#### Implications

- The Global Pharma Market will remain one of the most dynamic and profitable industrial sectors over 2019-2024, despite a decrease from 5.0% to 4.4% of its CAGR and from 32% to 30% of its profitability, due to the Covid-19 pandemic
- Drastic budget constraints of payers and willingness of governments to give patients, early and broad access to innovations, will lead pharma companies to accept lower prices than in the past that should be partly offset by higher volume sold



## Conclusions



The future of pharma companies should be bright, provided they adopt a focused strategy, keep on improving their operational efficiency and design a lean organization

### Global Pharma Companies Perspectives 2019-2024

#### Pharma Companies Strengths

- Improving portfolio management with a more focused strategy on the most attractive strategic segments
- Breakthrough innovative drugs to come by the end of 2024
- Increased manufacturing efficiency with Artificial Intelligence
- Better clinical studies quality and development of real word evidence data contributing to optimize drugs benefits
- Reduction or removal of marketing and sales investments having no or limited business impact

#### Pharma Companies Weaknesses

- Weak negotiating power of pharma companies vs. public or private payers (e.g. HMOs in the USA)
- Lack of robust strategy as shown by frequent changes of priorities amongst numerous pharma companies<sup>1</sup>
- Rigidity and complexity of internal processes preventing pharma companies from optimally seizing opportunities and addressing threats<sup>1</sup>
- Underperforming marketing and sales investments

#### Implications

- R&D-based companies should focus on a limited number of attractive TAs and countries with the USA being the top priority
- The potential for efficiency and efficacy improvements along the value chain of pharma companies is important, especially in R&D, marketing and sales operations
- Pharma companies' organizations should need to simplify their processes and become further agile



## Conclusions



**Best performing pharma companies have in common to market better drugs, offer highly valued services and have a good reputation, driving the preference of their stakeholders**

### Strategic Priority: Fight for Key Stakeholders Preference

#### Innovative Product Portfolio

- Develop innovative drugs to address **public health priorities** as set by **governments** (e.g. cancers, neuro-degenerative, infectious and cardio-metabolic diseases) at an **affordable** and **acceptable price** for payers
- Endeavour to **enter first** markets with **innovations** and avoid **me-too** products with no or minimal incremental added value
- Carry out **robust clinical studies** to **raise early confidence** of **key stakeholders**:
  - **Health authorities** and **payors** to ease market access
  - **HCPs** for earlier adoption
- Complete clinical studies with **RWE**<sup>1</sup> data

#### Highly Valued Services

- Offer services **highly valued** by **key stakeholders** (e.g. policy makers, payers, HCPs, patients and/or PAGS<sup>2</sup>)...
- ... and **related** to the company **products** (services around the pills) to **enhance** the **perceived value** of the latter
- Thus, these services **should be useful, interesting, convenient** and **properly executed**
- **Better communicate** about high added-value **services** proposed, so that to **enhance** stakeholders' **preference** for the **drug** sold by the company

#### Good Corporate Reputation

- Build a stronger corporate reputation<sup>3</sup>, better than competition, by:
  - Offering **highly valued drugs** at an affordable price
  - Offering **highly valued services** to key stakeholders
  - **Communicating** on **R&D** activities and **product pipeline**
  - **Investing** in **R&D projects**<sup>4</sup> in strategic markets
  - **Strengthening** the **skills** and ethical **behavior** of **collaborators**
  - Developing a **good working** atmosphere ...
  - ... and possibly **going beyond CSR**<sup>5</sup> legal obligations

# French retail pharmacies

INSIGHTS

**2019 – 2023 perspectives**

The Smart Pharma Business Papers

**Position Paper**

JANUARY 2020

## 1. Introduction

**In this position paper, Smart Pharma Consulting proposes an analysis of recent changes that have affected French retail pharmacies and an assessment of their perspectives by 2023**

### Context and objectives

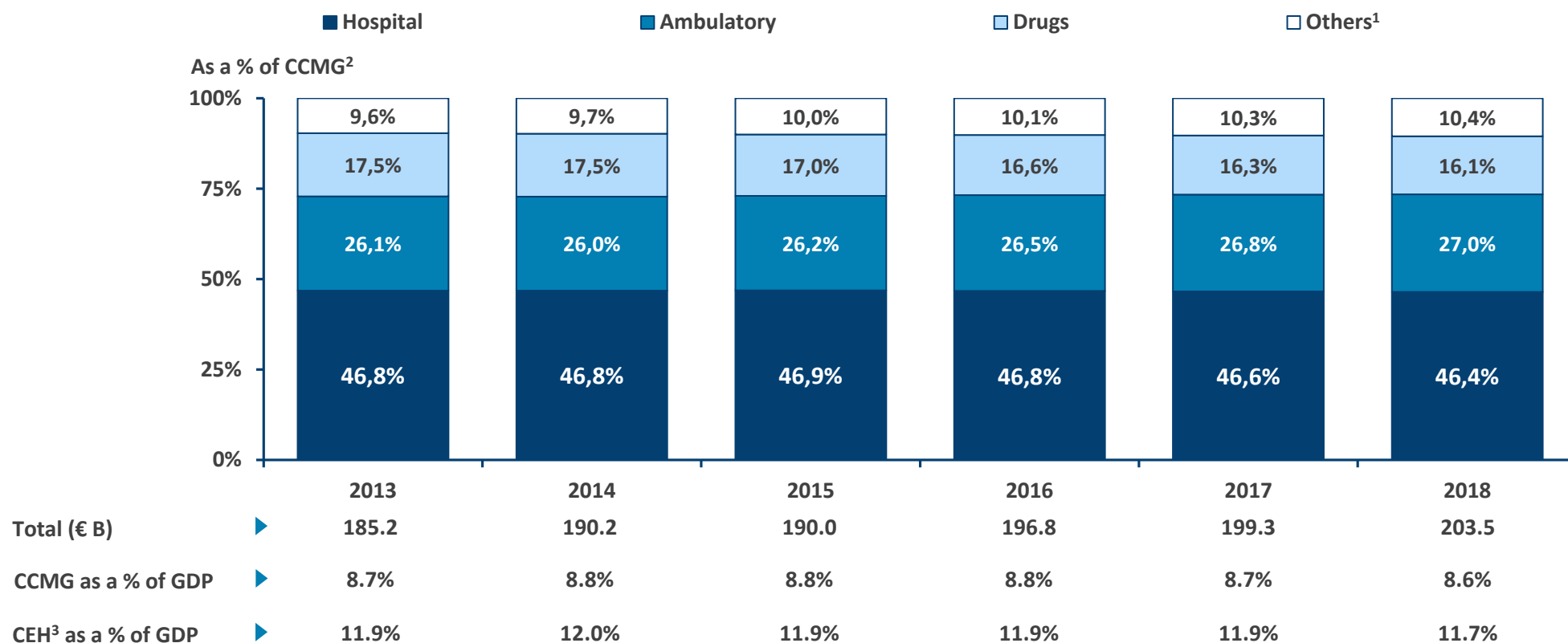
In this position paper, Smart Pharma Consulting proposes to answer the following questions

- 
- How is organized drugs distribution in France?
  - What is the regulatory framework applicable to retail pharmacies in France and how should it evolve?
  - What are the recent dynamics, changes and trends on the French retail pharmacies market?
  - What is the level of performance of retail pharmacies in France and what are the main levers to boost it?

## 1. Introduction

Although drugs expenditure is only the third largest source of spending in France, it is under a higher pressure as it is politically and technically the easiest to reduce

### Breakdown of public and private healthcare expenditure



Sources: "Les dépenses de santé en 2018", DREES (2019) – INSEE – Smart Pharma Consulting analyses

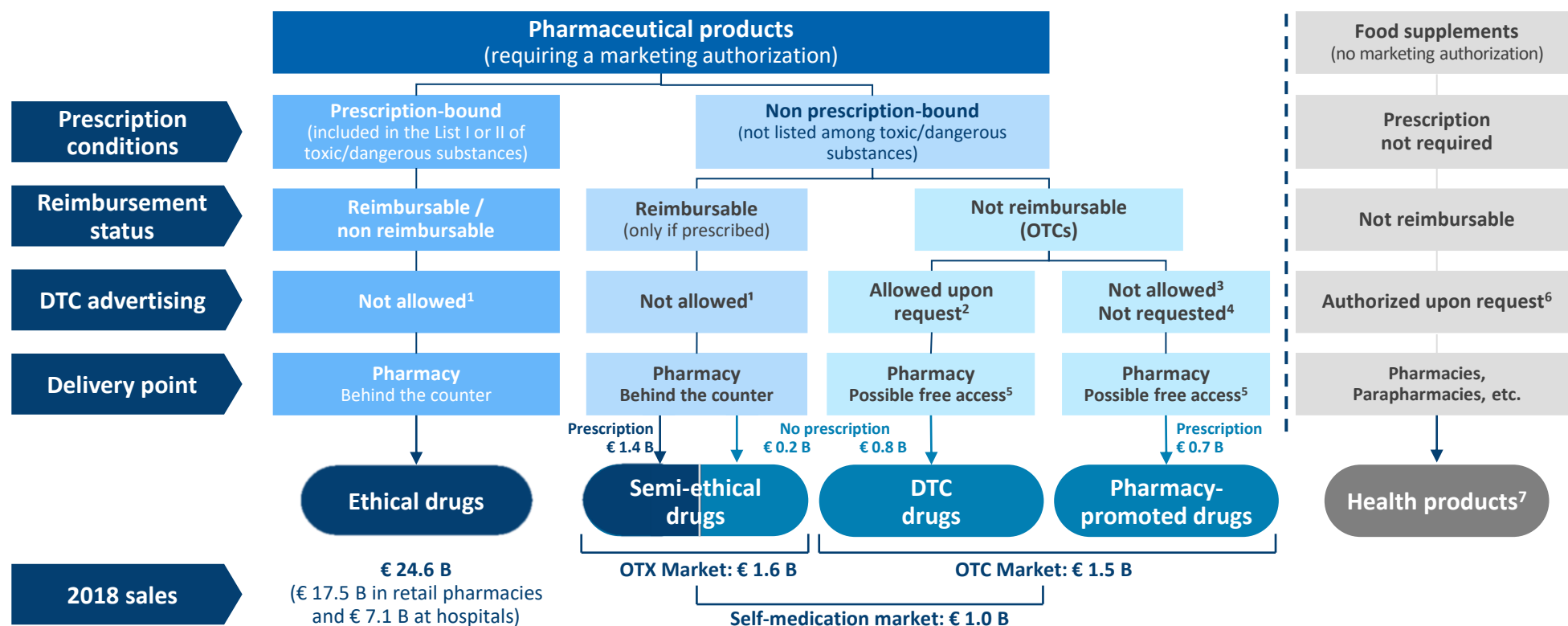
<sup>1</sup> Other healthcare goods and services, including patient transportation and other medical goods –

<sup>2</sup> CCMG: Consumption of care and medical goods – <sup>3</sup> CEH: Current expenditure on health

## 1. Introduction

Pharmaceutical products can be split into prescription- and non-prescription-bound drugs, knowing that some of the prescribed drugs are not reimbursed

### Classification of pharmaceutical products



Note: OTC = Over-the-counter, OTX = combination of prescription (RX) and over-the-counter (OTC), DTC = Direct to consumer

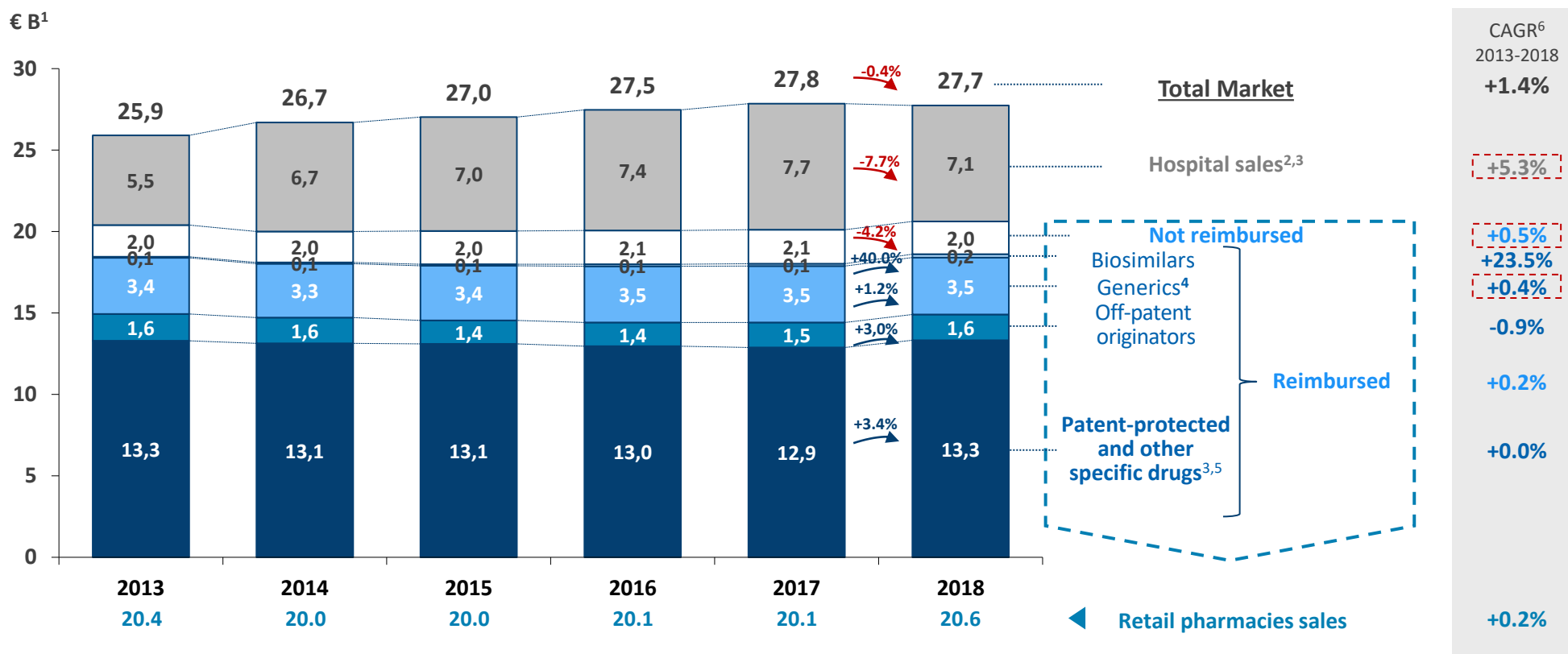
Sources: ANSM – DGCCRF –  
 Smart Pharma Consulting analyses

<sup>1</sup> Rare exceptions (e.g. vaccines) – <sup>2</sup> Whatever the claims – <sup>3</sup> Psychotropic or narcotic drugs – <sup>4</sup> When the pharma company does not wish to communicate to the general public – <sup>5</sup> Possibility of “free access” within the retail pharmacy for certain OTC products – <sup>6</sup> Only for claims relating to healing, alleviating or preventing diseases – <sup>7</sup> Other than drugs and pharmaceutical products

## 1. Introduction

Since 2013, spending on drugs has been mainly driven by hospital sales and by non-reimbursed drugs and generics sold in retail pharmacies

Evolution of drugs sales by segment (2013 – 2018)

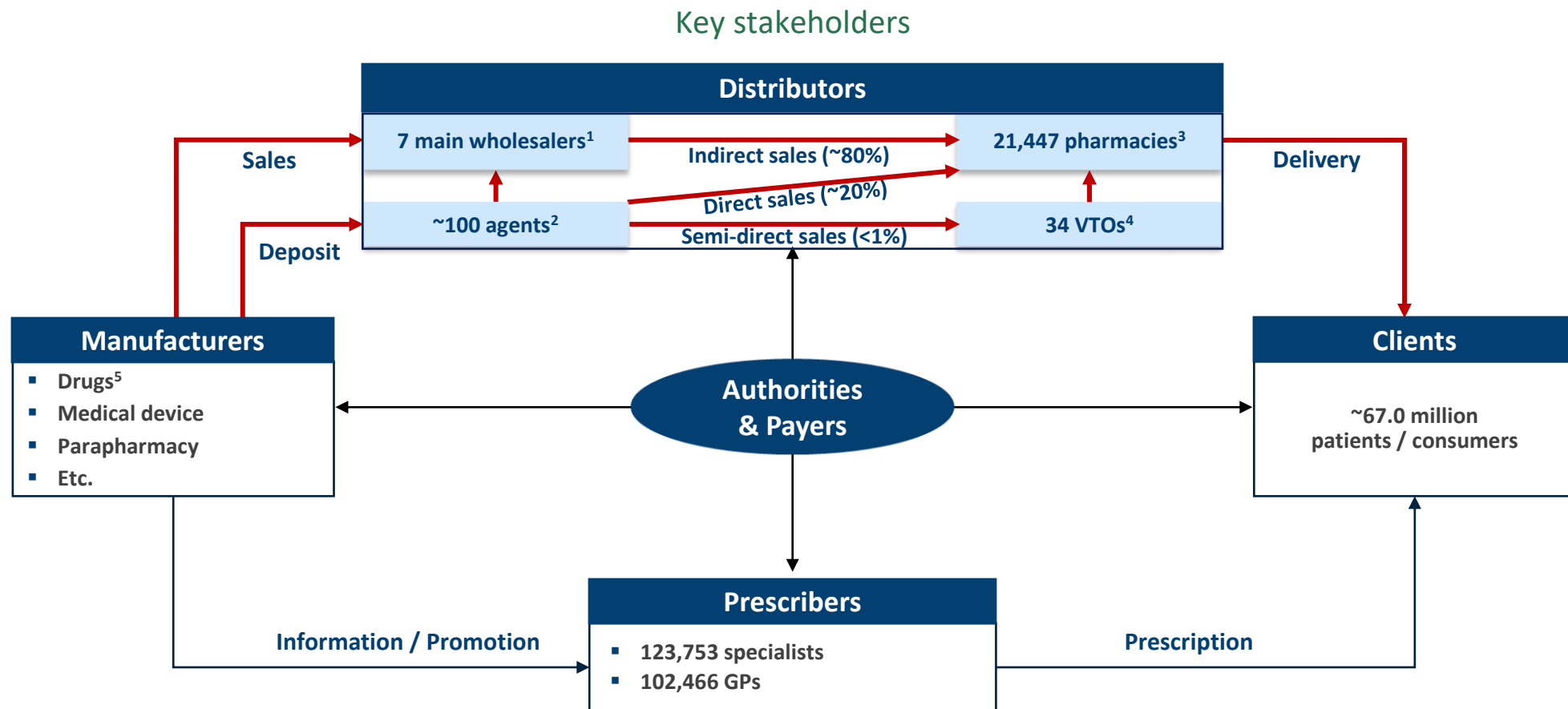


Sources: GERS dashboards –  
 Smart Pharma Consulting estimates

<sup>1</sup> Constant ex-factory prices – <sup>2</sup> Estimated rebated sales including hospital sales of biosimilars, products invoiced on top of "T2A" and reassigned medicines –  
<sup>3</sup> In 2018, classes of drugs (e.g. hepatitis C) have been transferred from the hospital to the retail market – <sup>4</sup> Reimbursable generics and quasi-generics –  
<sup>5</sup> Sales of drugs whose patents have not expired and of other specific products (e.g. calcium, sodium, potassium, paracetamol) – <sup>6</sup> Compound Annual Growth Rate

## 2. Drugs distribution

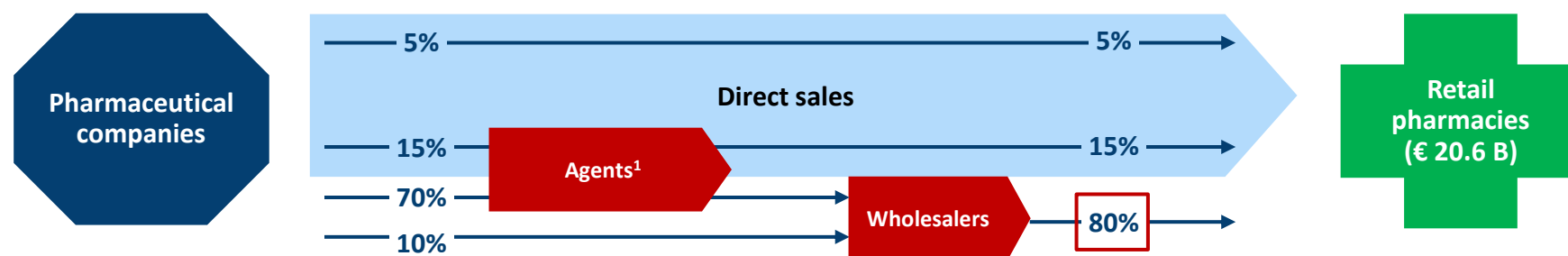
The drug supply chain organization involves 4 categories of stakeholders which are highly dependent on the decisions made by healthcare authorities and payers



## 2. Drugs distribution

~80% of the value goes through wholesalers, who are the cornerstone of the supply chain between pharma companies and retail pharmacies

Share of direct sales in the retail market



### Agents (~20%)

#### Independent health specialists:

- CSP

#### Subsidiaries of integrated distribution groups and health specialists:

- Alloga / Directlog (Alliance Healthcare)
- Eurodep (CERP)
- IvryLab (PharmaVie / Phoenix Pharma)
- Movianto<sup>1</sup> (Owens & Minor, USA)
- Sogiphar (Giphar)

#### Subsidiaries of integrated distribution groups; non health specialists:

- FM Health (FM Logistic)
- Arvato Services Healthcare (Bertelsmann group)
- Pharmalog (Geodis)
- Rhenus (previously Wincanton)

#### Subsidiaries of pharmaceutical companies:

- AstraZeneca
- Pierre Fabre
- Sanofi Pasteur
- Servier

### Wholesalers (~80%)

#### Market share<sup>2</sup>

- **CERP network** **36.2%**
  - CERP Rouen (Astera) 20.7%
  - CERP Rhin Rhône Méditerranée 11.8%
  - CERP Bretagne Atlantique 3.7%
- **OCP (McKesson)** **31.3%**
- **Alliance Healthcare France** **19.2%** (Alliance Boots)
- **Phoenix Pharma** (Phoenix Group) **8.4%**
- **Giphar** **2.6%**
- **Others<sup>3</sup>** **2.3%**

Sources: Xerfi – LEEM – GERS – CSRP – ANSM – Register of the French pharmaceutical establishments – Smart Pharma Consulting analyses

<sup>1</sup> Pre-wholeselling to wholesalers or VTOs or directly selling to retail pharmacists – <sup>2</sup> Market share in value (2018) –

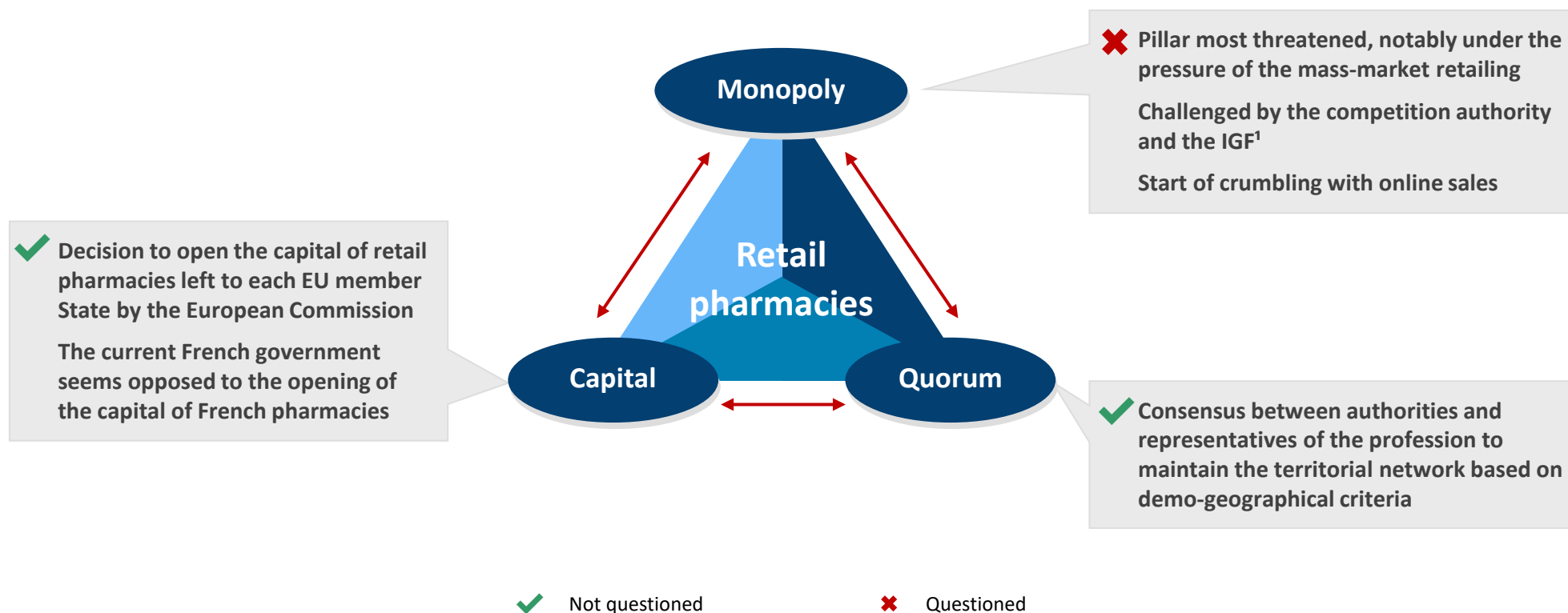
<sup>3</sup> Non-members of the “Chambre Syndicale de la Répartition Pharmaceutique (CSRP)”



### 3. Regulatory environment

**Amongst the three fundamental pillars of retail pharmacies, only the monopoly on the dispensing of self-medication products could be called into question**

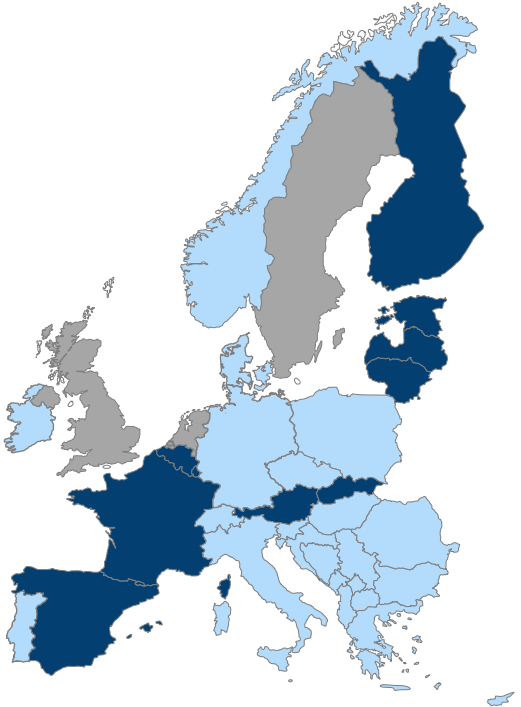
The 3 fundamental pillars of retail pharmacies in France



### 3. Regulatory environment

Although questioned by distribution chains and reports, French governments and people have always shown an attachment to retail pharmacists monopoly

#### Monopoly – Situation in Europe

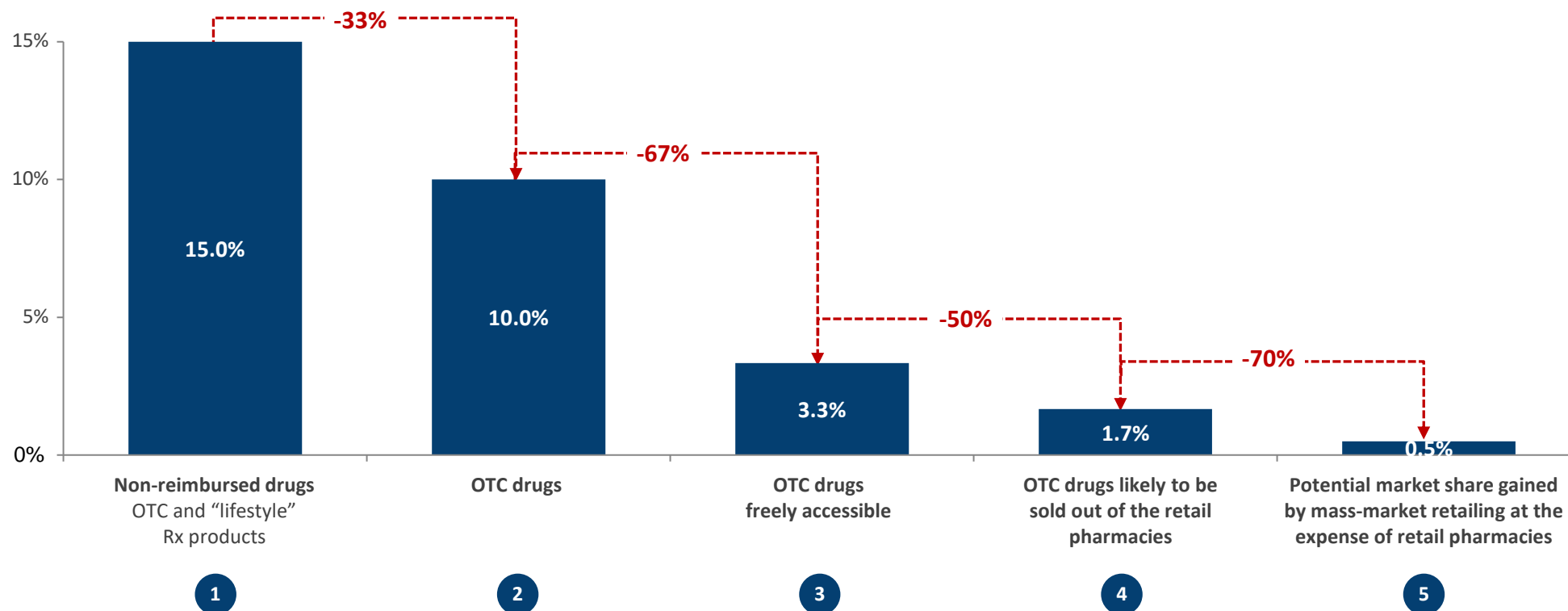
Situation of the monopoly for non-prescription bounds	Comments
 <ul style="list-style-type: none"> <li><b>Monopoly</b> (Dark Blue)</li> <li><b>No monopoly, but dispensation by pharmacists required, including outside pharmacies</b> (Light Blue)</li> <li><b>No monopoly, and possible dispensation by non-pharmacists</b> (Grey)</li> </ul>	<ul style="list-style-type: none"> <li>In <b>Europe</b>, the <b>opening</b> of the <b>monopoly</b> is generally <b>partial</b> and never concerns prescription drugs</li> <li>Drug sales in <b>mass-market retailing</b> (e.g. <b>supermarkets, drugstores, specialized stores</b>) is most often limited to a list of <b>self-medication drugs</b>, as those currently proposed in free access in French retail pharmacies</li> <li>In France, many <b>reports</b> challenged the monopoly on self-medication drugs (e.g. the Attali report in 2008, the General Inspectorate of Finance report in 2013 or the French Competition Authority reports in 2014 and, more recently, in 2019)</li> <li><b>E-Leclerc</b> chain also regularly calls for the end of the monopoly on self-medication products. This has been especially the case since <b>2013</b>, when the authorization to sell non-prescription drugs <b>online</b> was granted to <b>retail pharmacists</b> only</li> <li>However, the successive <b>French governments</b> have always expressed their <b>reluctance</b> to sell drugs in supermarkets as it may question the <b>continuity of care</b>, especially in <b>rural areas</b>. Besides, as expressed by Agnès Buzin (the current Ministry for Health) after the latest French Competition Authority report was released in April 2019: “<i>drugs are <b>not</b> object of everyday consumption. There may be always <b>side effects</b> and <b>pharmacists</b> are there for that</i>”</li> <li>In 2014, <b>6 million patients</b> had also signed a <b>petition</b> against the opening of the monopoly that had been launched by the USPO Pharmacists Union</li> </ul>

### 3. Regulatory environment

**If the monopoly is challenged, we estimate that the maximum impact for French retail pharmacies would be less than 1% of their total sales, i.e. ~5% of their OTC sales**

Monopoly – Estimated impact of French retail pharmacies monopoly loss

% of retail pharmacies sales



Sources: Smart Pharma Consulting analyses and estimates

### 3. Regulatory environment

Since January 2<sup>nd</sup>, 2013, non-prescription-bound medicines can be sold online by pharmacies under some specific conditions...

#### Monopoly – Online drugs sales – Regulation

##### Date of authorization

The online sale of medicines is **allowed** in France since **January 2<sup>nd</sup>, 2013**<sup>1</sup>

##### Authorized drugs

All **non-prescription-bound medicines**, either **reimbursable** if prescribed or **not reimbursable** drugs (+/- 4,300 references)

##### Conditions of creation and activity

- The **website** must be **attached** to a **physical retail pharmacy** and **managed** by the **pharmacy owner**
- It must be authorized by the **Regional Health Agency (ARS)** before being opened and declared to the **French Council of Pharmacists** (Ordre National des Pharmaciens)
- **Patients** must fill a **health status questionnaire** before placing the first order on a given website
- Drugs can be **either directly** sent to the patient or delivered to the **pharmacy** to which the website is attached
- Comply with **online commerce rules** and **good practices** set by a decree issued by the **Ministry of Health**

##### Evolution of the regulation

- In **March 2015**, a ministerial decree **limiting** the **promotion** of online pharmacies was canceled by the State Council, authorizing the **online promotion** of non-prescription bound medicines
- Since **July 1<sup>st</sup>, 2015**, a **unique logo** for the entire European Union appears on websites authorized to sell drugs online
- On **December 1<sup>st</sup>, 2016**, 2 ministerial decrees on good practices and technical rules applicable to Internet websites for the online commerce of medicinal products was published on the Official Gazette and entered into force in February 1<sup>st</sup>, 2017

### 3. Regulatory environment

... but corresponding sales remain limited, as online purchases are estimated to represent about 2% of the total self-medication purchases

#### Monopoly – Online drugs sales – Key Facts & Figures

##### Number of authorized websites

- As of **January 2020**, **689** websites<sup>1</sup> are officially authorized by Regional Healthcare Agencies (ARS) and published by the French Council of Pharmacists (Ordre National des Pharmaciens)

##### Performance

- According to French Council of Pharmacists, online purchases represented in 2017 **about 2% of the total self-medication** purchases in France
- In comparison, the online channel represents up to **18% of the total self-medication** purchases in **Germany** or in the **UK** (where online drug purchases have been authorized since 2004 and 2000, respectively)

##### Patients behavior

- Experience of online purchases: according to various studies, **~10% of French people** have already bought non-prescription-bound medicines online
- Willingness to purchase online in 2015: **45% of patients** declared to consider drugs purchase online vs. **30% in 2013** and **13% in 2012**

##### Key drivers for online purchases

- Convenience:** home delivery in **24 to 48 hours**
- Possibility to **compare prices** (with platforms like Unooc)
- Lower prices** than those in physical retail pharmacies

### 3. Regulatory environment

**Various government reports have advocated the opening of the capital of pharmacies but it does not seem that there is any real political will to adopt such a law**

#### Capital – Situation

##### Current regulation

- In **Europe**, although some countries have made the choice to reduce the ownership of retail pharmacies capital **to pharmacists**, as in **France**, other countries have chosen to open the capital of retail pharmacies to **non-pharmacists**, leading to the creation of drug chains (e.g. **UK**, **Netherlands**, etc.)
- In this context, and since the early 2000s, various **government reports** aimed at modernizing the French economy (e.g. Beigbeder, Attali and Longuet reports) **recommended** the **opening** of the **capital** to **non-pharmacists** ...
- ... like the **European Commission** which, in March 2007, put France and other countries in need of **liberalization**
- Subsequently, the **European Court of Justice** was solicited on similar cases in Italy and Germany. It ruled that a pharmacist *"is supposed to operate the pharmacy **not for a purely economic purpose**, but also for a **professional purpose** related to his **medical training**. The **subordination** of pharmacists, as **employees**, to an **outside operator** could make it **difficult** to **oppose** the **instructions** given"*
- More recently, in October 2014, the **Ferrand report** submitted to the Minister of the Economy, recommended *"to allow the **opening** of the capital of the liberal exercise societies (SEL) within the health professions, subject to the respect of the rules of incompatibility"*
- The negotiations following the Ferrand report are today in the spirit of **compromise**, with the possibility of opening up the capital to the **employees of the pharmacy only**

Sources: Press release n° 44/09 from the Court of Justice of the European Communities –Ferrand report (October 2014) – La distribution au détail du médicament au sein de l'Union Européenne: un croisement entre santé et commerce, CAIRN – Le Quotidien du Pharmacien (13/10/2014) –Smart Pharma Consulting analyses

### 3. Regulatory environment

**Since November 2019, retail pharmacists must report to the French Council of Pharmacists all agreements / amendments signed with their related parties (including lenders)**

#### Capital – Recent measure

##### The “Transparency” amendment (July 2019)

- On July 24<sup>th</sup>, 2019, the article L4221-19 of the French Public Health Code was amended to increase transparency on the agreements that may signed between pharmacy owners and non-pharmacists (e.g. investment funds)
- The amended article is written as follows:
  - “Pharmacists must **communicate** to the French Council of Pharmacists, in addition to the statutes of their pharmacy and their endorsements, all **agreements** and corresponding **amendments** related to their operations with related parties, including **partners** and, when applicable, **lenders** contributing to the funding of their pharmacy”
  - “These documents must be communicated **within one month** after the signature of the agreement or amendment”
  - “Contractual provisions which are **incompatible** with the rules of the profession or which may **deprive** the contracting parties of their professional **independence** render them liable to the **disciplinary sanctions** provided for in Article L. 4234-6 of the French Public Health Code”<sup>1</sup>
- This amendment came into force from **November 1, 2019**

### 3. Regulatory environment

**The authorization to set up a pharmacy in a city depends on the number of inhabitants and any creation, grouping or transfer is subject to the issue of a license**

#### Quorum – Situation

##### Current regulation

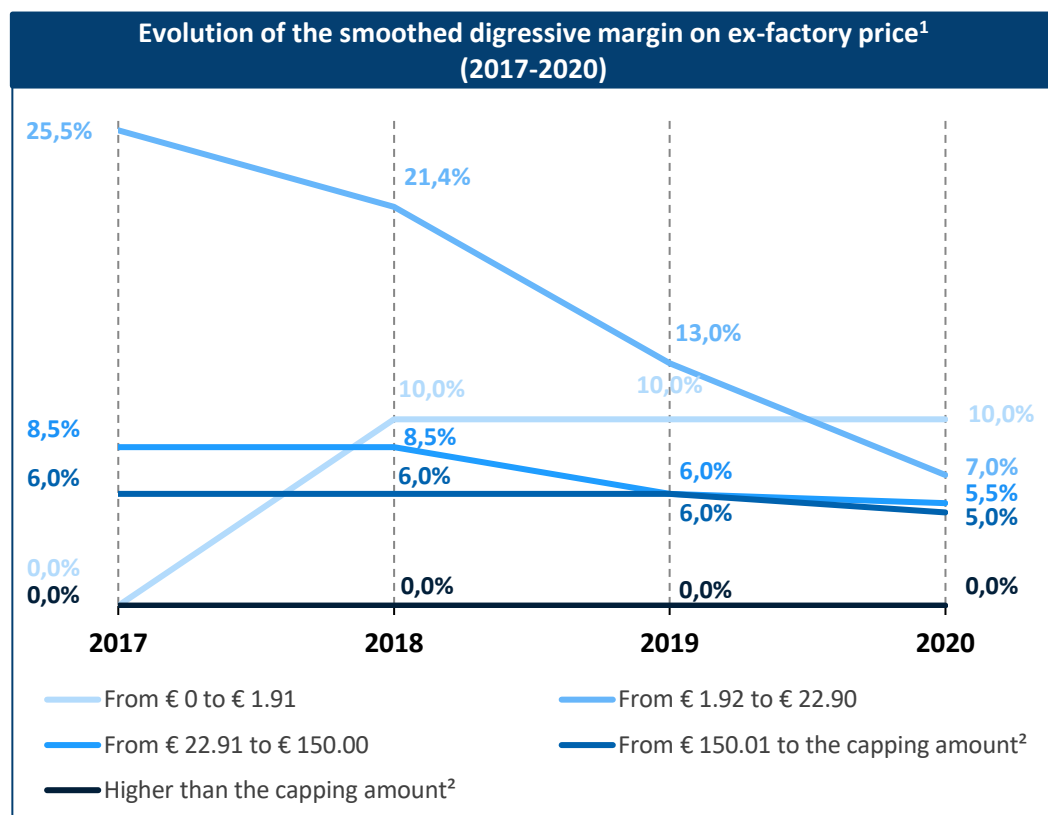
- In France, the **authorization** to **establish** a **retail pharmacy** in a city depends on the **number of inhabitants** identified in the city where it will be located, in accordance with the *numerus clausus*
- The **opening** of a pharmacy, by **transfer** or **creation**, is possible in cities with **over 2,500 inhabitants** (or 3,500 in Guyana, Moselle and Alsace and 7,500 for Mayotte). Then, the opening or transfer of new pharmacies is allowed for every **4,500 inhabitants**. Thus, a **second** pharmacy can be located in a city with more than **7,000 inhabitants**
- The establishment of a pharmacy in a city of **less than 2,500 inhabitants** is **not allowed unless** the city previously had a pharmacy that served more than 2,500 inhabitants
- The **transfer** of a pharmacy to **another city** is possible only if the city of origin has **fewer than 2,500 inhabitants**, if there is only **one pharmacy** or a population of less than **4,500 inhabitants per additional pharmacy**
- Any transfer, grouping or creation of pharmacies is subject to the issue of a license by the **Regional Health Agency (ARS)**
- In some cases, the **regional Prefect** may also impose a minimum distance between the pharmacies of the district where the transfer takes place



### 3. Regulatory environment

The revision of the smoothed digressive margin is part of a decorrelation process between the economy of retail pharmacies and the price of reimbursed drugs

Retail pharmacists margins and fees for reimbursed drugs – Excluding rebates



- The main priority of the 11<sup>th</sup> amendment<sup>3</sup> to the National Pharmaceutical Agreement is to change the remuneration of retail pharmacies and make them **less dependent on the price and volume of reimbursable drugs**
- Thus, it proposes **progressive transfer to new forms of remuneration** related to dispensing and to the improvement of patients management

New dispensing fees	2019 <sup>1</sup>	2020 <sup>1</sup>
Fees for the delivery of a prescription	€ 0.50	€ 0.50
Fees related to the age of the patient (youth children and elderly people)	€ 0.50	€ 1.55
Fees for the delivery of specific drugs (e.g. immunosuppressive drugs)	€ 2.00	€ 3.50

New missions	Remuneration (2019)
Medication reports for elderly people taking more than 5 drugs	€ 60 for the initial interview and then € 30 <sup>4</sup> or € 20 <sup>4</sup>
Belonging to a primary care team	€ 420 per year
Share medical file	€ 1 per open medical file

Sources: 11<sup>th</sup> amendment to the National Pharmaceutical Agreement (July 2017) – Official Gazette (September 2015, December 2017 and November 2018) – 11<sup>th</sup> Meeting of the USPO (January 2019) – Le Moniteur des pharmacies (December 2019) – Smart Pharma Consulting analyses

<sup>1</sup> VAT excluded – <sup>2</sup> Amount from which the margin is capped: €1,500 in 2017, €1,515 in 2018, €1,600 in 2019 and €1,930 in 2020 – <sup>3</sup> The amendment was signed by only 1 of the 3 French pharmaceutical unions –

<sup>4</sup> Whether new treatments are initiated in subsequent years or not

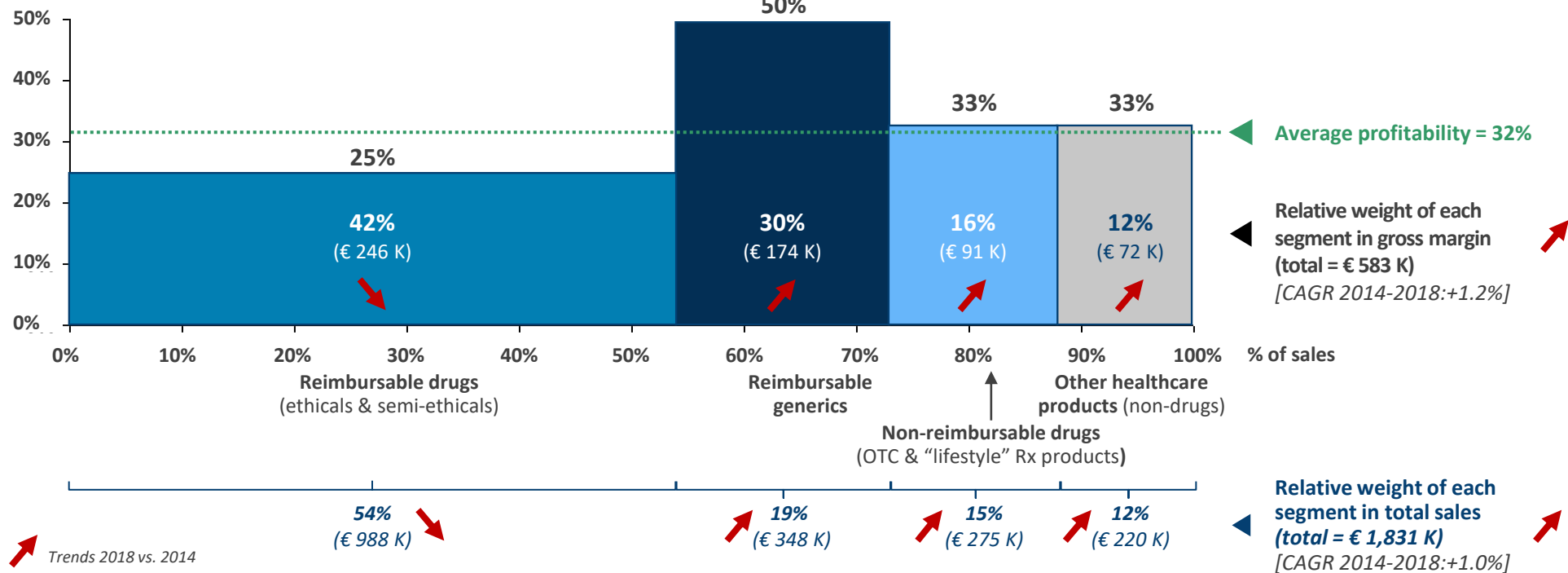
## 4. Sector financial performance

**In 2018, reimbursable originators accounted on average for ~54% of retail pharmacies sales and ~42% of their gross margin**

### Economic structure of retail pharmacies in France (2018)

**Average annual turnover of a retail pharmacy in 2018: € 1,831 K**  
 (public price excluding VAT)

Average profitability by segment<sup>1</sup>



Sources: CGP Experts Comptables – KPMG –  
 Smart Pharma Consulting estimates

<sup>1</sup> Inclusive of legal margin, rebates, commercial agreements and remuneration for pharmaceutical services, notably those corresponding to the public health objectives (e.g. generics substitution objectives, pharmaceutical interviews with patients, etc.)

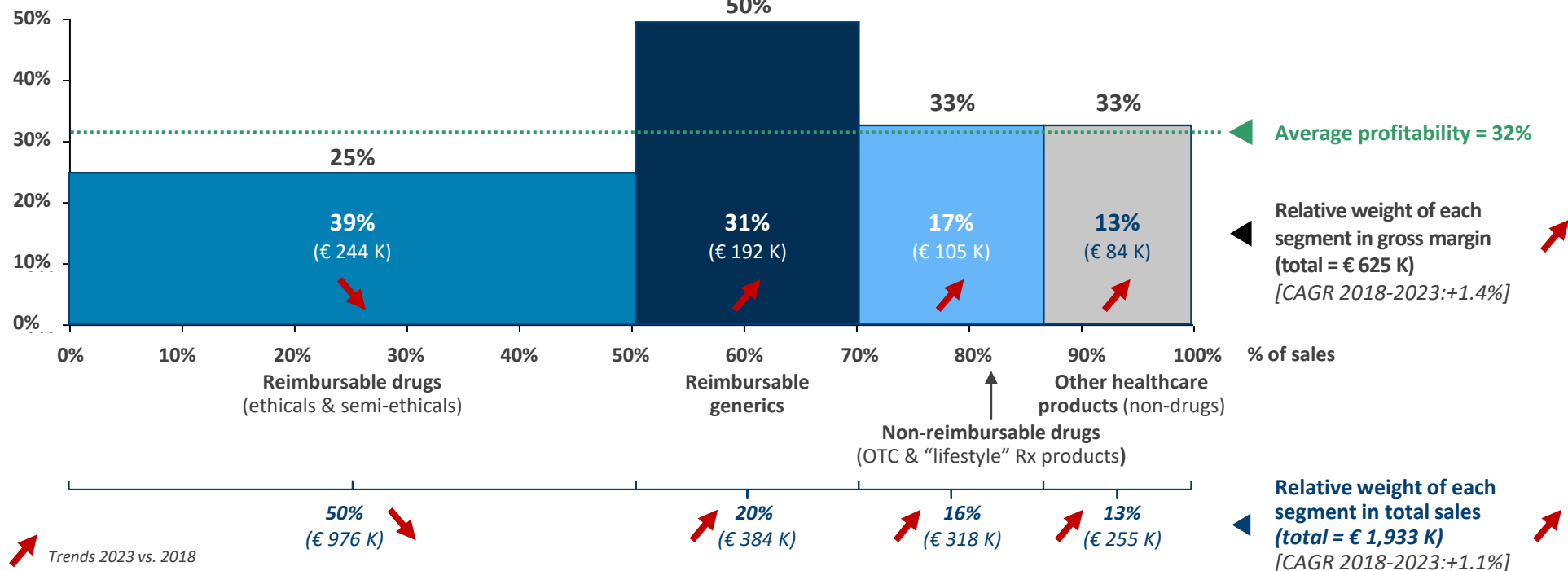
## 4. Sector financial performance

**In 2023, reimbursable originators should account on average for ~50% of retail pharmacies sales and ~39% of their gross margin**

### Economic structure of retail pharmacies in France (2023)

**Average annual turnover of a retail pharmacy in 2023: € 1,933 K**  
 (public price excluding VAT)

Average profitability by segment<sup>1</sup>



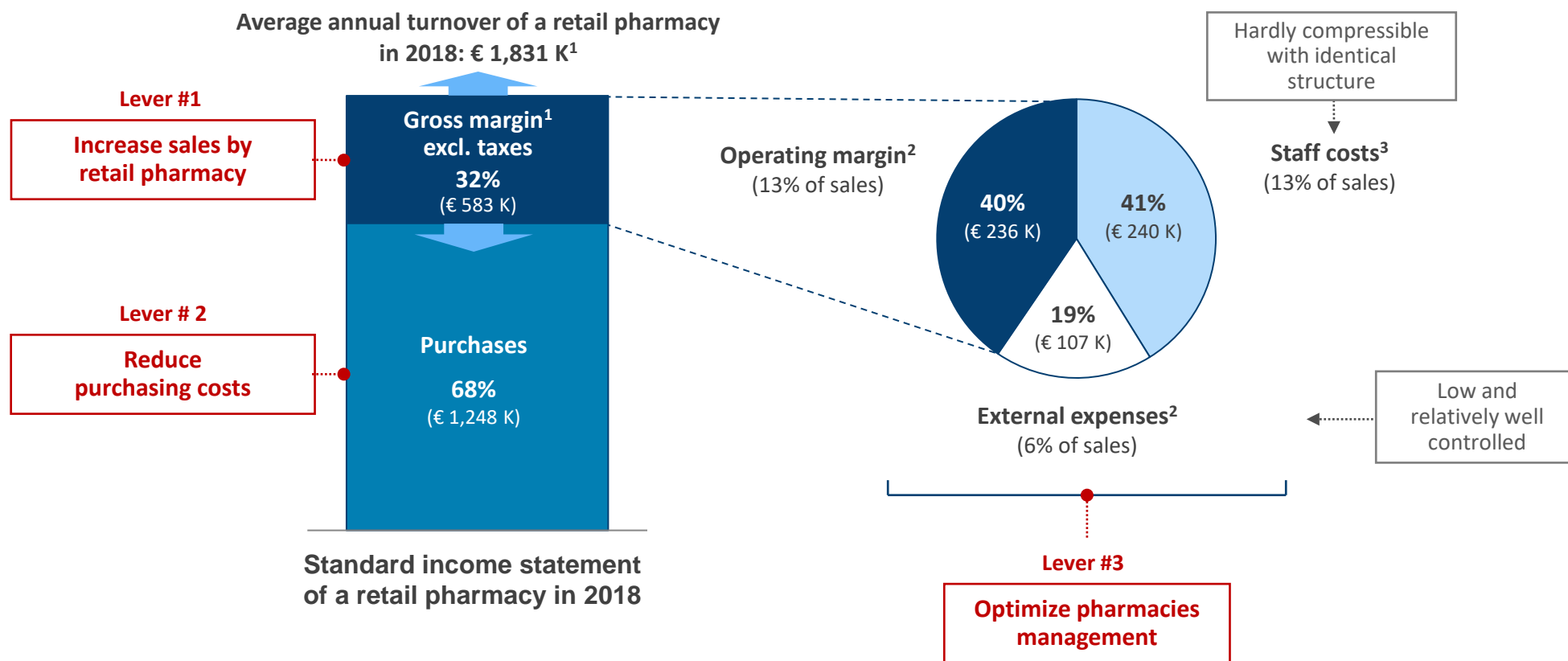
Sources: CGP Experts Comptables – KPMG – Smart Pharma Consulting estimates

<sup>1</sup> Inclusive of legal margin, rebates, commercial agreements and remuneration for pharmaceutical services, notably those corresponding to the public health objectives (e.g. generics substitution objectives, pharmaceutical interviews with patients, etc.)

## 4. Sector financial performance

The revitalization of sales (by the expansion of products and services offering) as well as cost and management optimization are the key levers to protect / increase profits

### Optimization levers by retail pharmacy



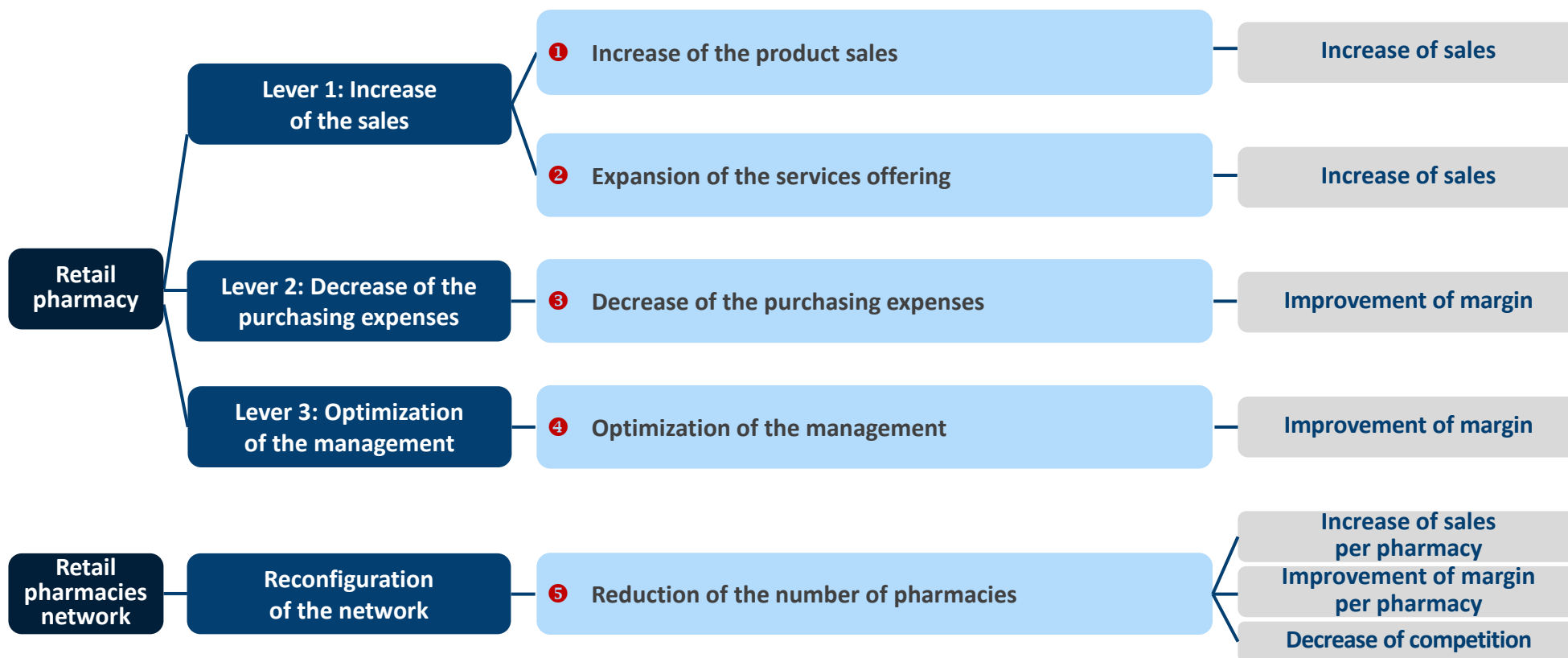
Sources: CGP Experts Comptables (2019) – Smart Pharma Consulting analyses

<sup>1</sup> Including dispensing fees and other remunerations (e.g. ROSP) which averaged ~€ 187 K per retail pharmacy in 2018 – <sup>2</sup> Before amortization, financial expenses and dues paid to the pharmacist owner – <sup>3</sup> Including social charges and contribution for non-salaried workers

## 5. Optimization levers

The room for improvement of retail pharmacies performance is important but requires to rethink and reshape the role and the organization of pharmacies

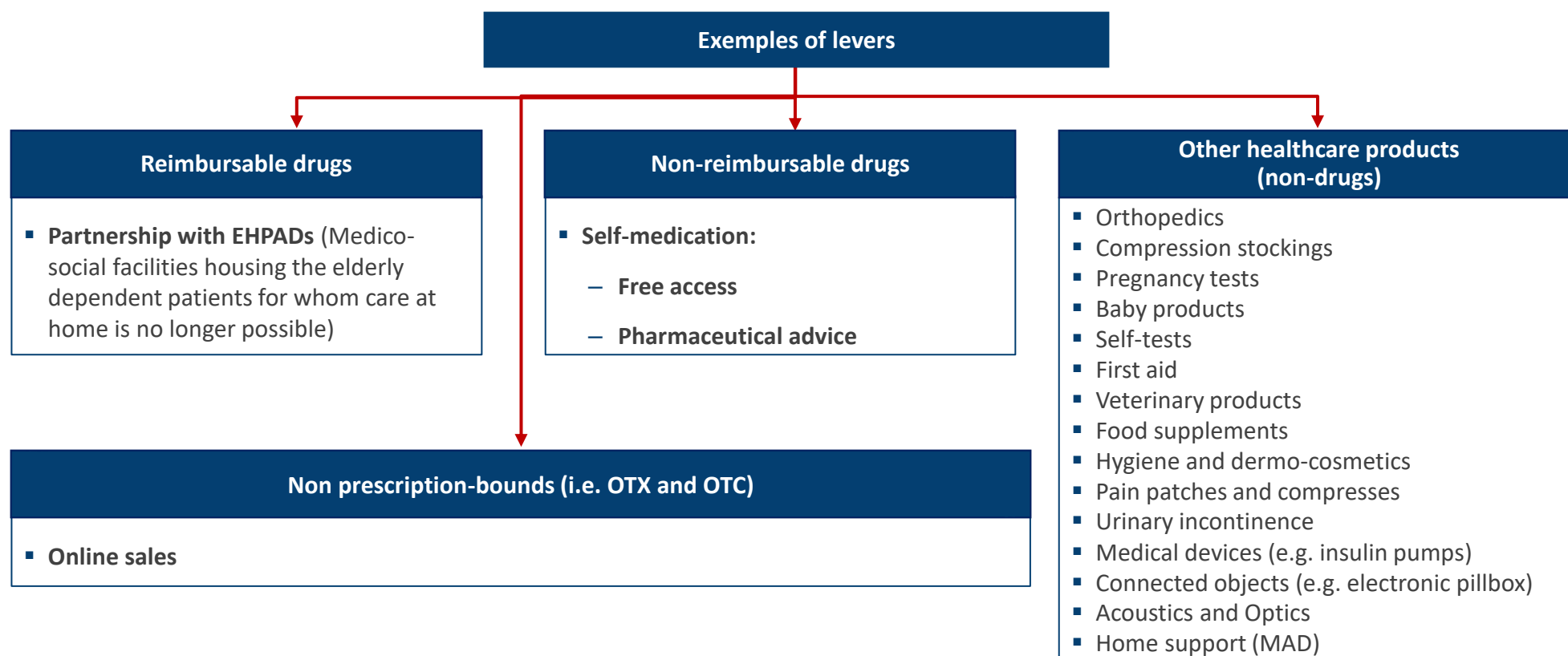
Overview of levers and solutions to improve retail pharmacies performance



## 5. Optimization levers

Retail pharmacies sales by product segment can be boosted by rigorously and systematically activating a certain number of levers

### ① Increase of the product sales



## 5. Optimization levers

**In addition to their core business focused on drugs dispensation, pharmacists should carry out new missions, notably for patients suffering from chronic diseases**

### 2 Expansion of the services offering

#### Extension of services

##### Regulatory framework:

- HPST law (2009)
- National Pharmaceutical Agreement (2012)
- National agreement on inter-professionality (2018)
- “My Health 2022”: Territorial reorganization of care (2019)

##### Supports (tools – means – structures):

- Shared patient file (DP)
- Connected health / Telemedicine / Telecare
- Multidisciplinary Health Centers (MSP)
- Healthcare networks

#### Prevention – Screening – Vaccination – Therapeutic education – Follow-up

- **In particular for patients suffering from chronic diseases** (e.g. patients receiving anti-vitamin K treatments (AVK) or direct-acting oral anticoagulants (AOD), long-term illness (ALD), diabetes, asthma, high blood pressure, COPD, overweight, etc.)
- **Services paid by various stakeholders:**
  - National Health Insurance / Private insurers / Mutual health organizations
  - Regional health agencies (ARS)
  - Regional unions of HCPs (URPS)
  - Pharma companies

## 5. Optimization levers

With SRAs and CAPs, the lawmaker proposed a solution to regularize retrocession practices between retail pharmacies

### 3 Decrease of the purchasing expenses

	SRA	CAP	SRA + CAP
	Grouped procurement structure	Buying group	SRA supported by a CAP
Principle	<ul style="list-style-type: none"> <li>The SRA has no delivery points</li> </ul>	<ul style="list-style-type: none"> <li>The CAP has delivery and storage points</li> </ul>	<ul style="list-style-type: none"> <li>The SRA negotiates and invoices</li> <li>The CAP stores and delivers</li> </ul>
Negotiation	<ul style="list-style-type: none"> <li>The agent negotiates maximum purchasing conditions</li> </ul>	<ul style="list-style-type: none"> <li>The CAP sales manager negotiates purchasing conditions</li> </ul>	<ul style="list-style-type: none"> <li>The commissioner / agent negotiates maximum purchasing conditions</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>The agent purchases on behalf of its pharmacy members</li> </ul>	<ul style="list-style-type: none"> <li>The CAP purchases on its behalf</li> </ul>	<ul style="list-style-type: none"> <li>The commissioner / agent purchases on behalf of its pharmacy members</li> </ul>
Delivery	<ul style="list-style-type: none"> <li>The pharma company delivers each retail pharmacy</li> </ul>	<ul style="list-style-type: none"> <li>The pharma company delivers the CAP</li> </ul>	<ul style="list-style-type: none"> <li>The pharma company delivers the CAP</li> </ul>
Billing	<ul style="list-style-type: none"> <li>The pharma company invoices the SRA</li> </ul>	<ul style="list-style-type: none"> <li>The pharma company invoices the CAP</li> </ul>	<ul style="list-style-type: none"> <li>The pharma company invoices the SRA</li> </ul>
Relationship with members	<ul style="list-style-type: none"> <li>The SRA invoices each pharmacy member</li> </ul>	<ul style="list-style-type: none"> <li>The CAP delivers and invoices each pharmacy member</li> </ul>	<ul style="list-style-type: none"> <li>The SRA relies on the CAP to store, delivers and invoices each pharmacy member</li> </ul>

*Note: The current regulations do not allow a retail pharmacist to buy large quantities of drugs to resell to colleagues*



## 5. Optimization levers

### Retail pharmacists can improve the operating result of their pharmacy by professionalizing their management methods

#### 4 Optimization of the management

##### 1. Margin and price strategy

- Don't limit it to a linear multiplying coefficient policy by product class and apply:
  - A **lower coefficient** on “sensitive” products whose price is well known by customers, in particular those in free access
  - A **higher coefficient** on **prestige** products or on products requiring a pharmaceutical **advice**
- The selling price must include a **profitability objective** and take into account the **competition** on the **catchment area**

##### 2. Rationalization of the activity and organization according to the catchment area

- **Adapt** the **offer** of products and services
- Adapt **opening hours** to customer expectations and competition
- **Optimize** the **layout** of the retail pharmacy to boost sales and improve circulation of customers in the selling point, based on supermarkets and hypermarkets model
- **Streamline staffing**, organization and staff time
- Assess the opportunity of **automating inventory management** (i.e. robots)

##### 3. Professionalization of pharmacy management

- **Monitor the performance** of the retail pharmacy thanks to few relevant KPIs<sup>1</sup>
- Follow, if needed, a postgraduate **training of retail pharmacy management** (e.g. MBA, master, university diploma, certificate)

##### 4. Financial, accounting and tax optimization

- Improve **control** over **operating costs** and **stock rotation**
- Reduce **borrowing costs** (individual contribution, short-term loan, renegotiation of the loan, if needed)
- Evaluate **tax optimization** opportunities

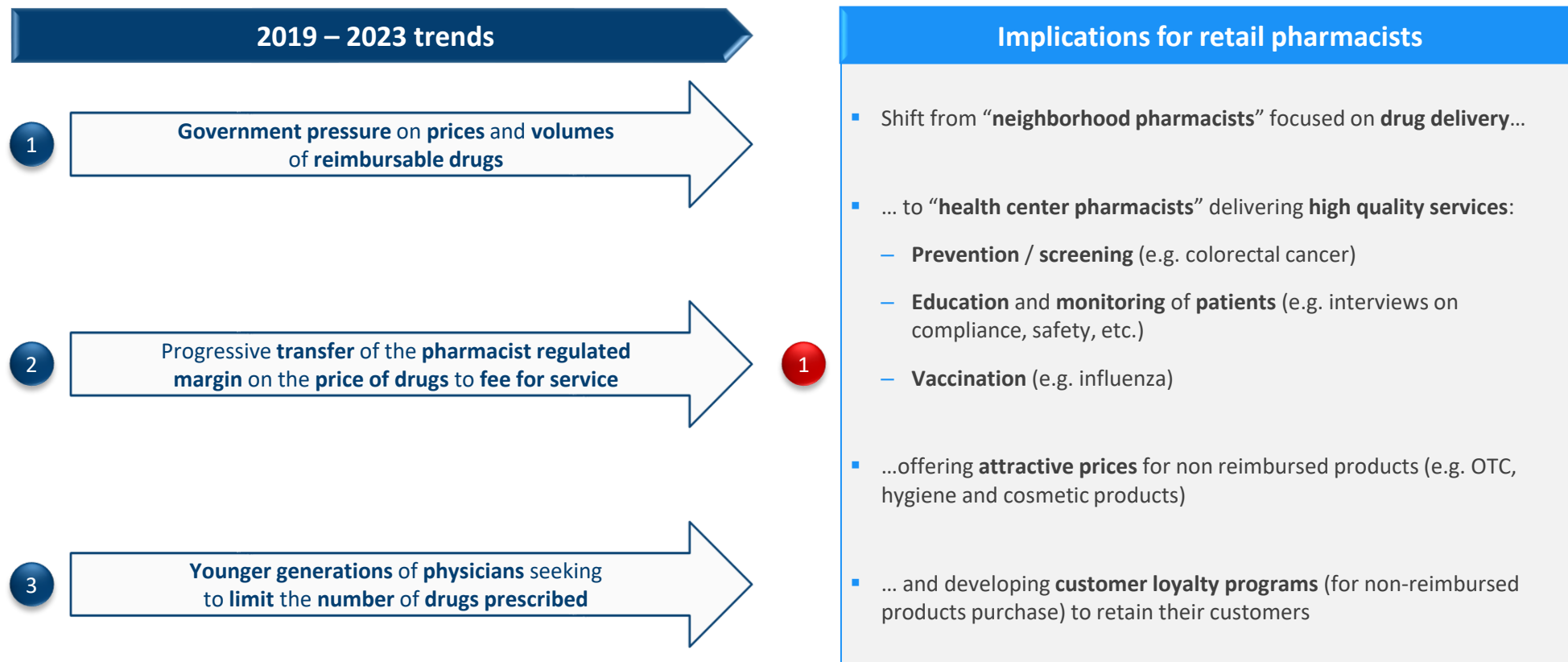
##### 5. Cost sharing

- **Mutualize the cost of support functions** (e.g. procurement, IT, quality management, management control, treasury) with other retail pharmacies thanks to:
  - The membership in VTOs<sup>2</sup>
  - The creation of holdings of SELs (e.g. SPFPL)

## 6. Conclusion

**French pharmacists are currently experiencing a revolution which will turn them from drugs dispensers to providers of high quality health and wellness services**

### Strategic priorities for retail pharmacists (1/2)

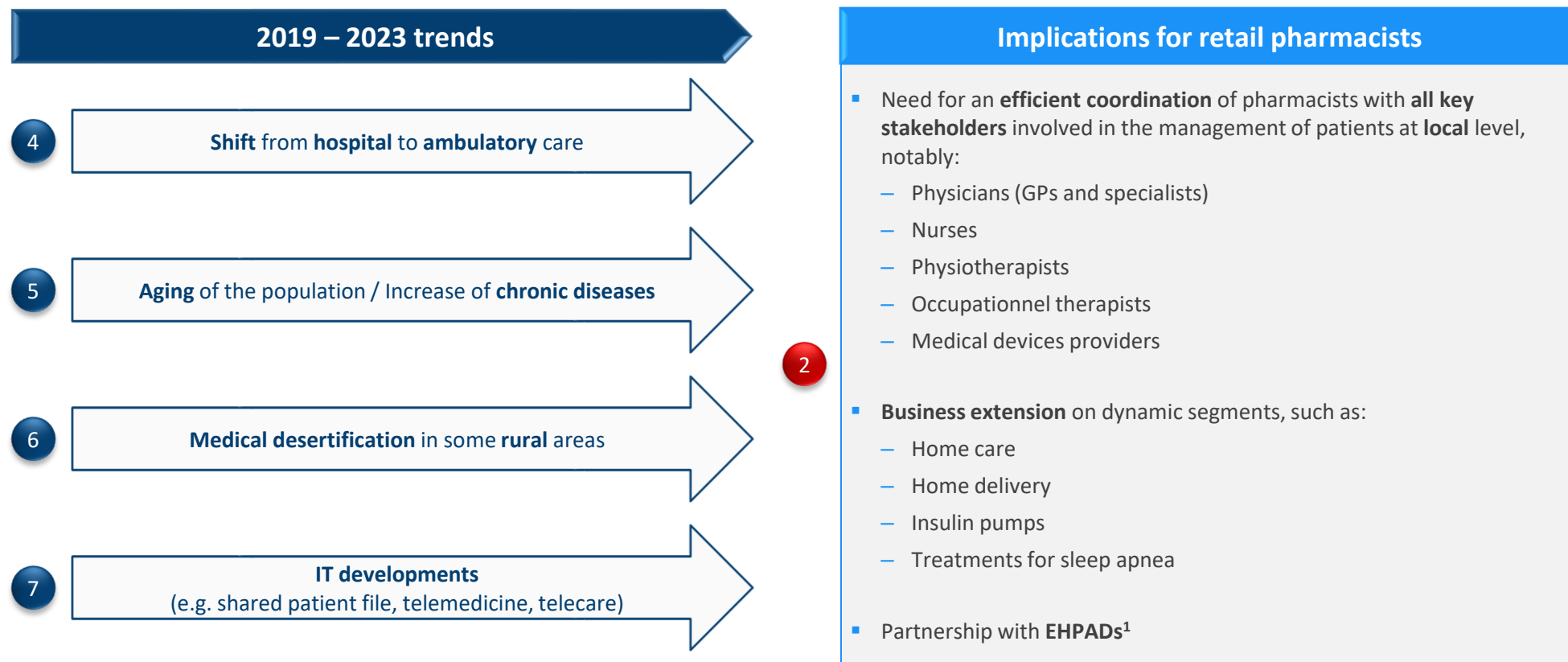


Sources: Interviews with retail pharmacists and representatives from VTOs and professional unions (September 2019) – Smart Pharma Consulting analyses

## 6. Conclusion

**Pharmacists will be more and more at the cornerstone of a coordinated management of patients, notably in rural areas deserted by physicians**

### Strategic priorities for retail pharmacists (2/2)



Sources: Interviews with retail pharmacists and representatives from VTOs and professional unions (September 2019) – Smart Pharma Consulting analyses

<sup>1</sup> Medico-social facilities housing the elderly dependent patients for whom care at home is no longer possible



# High-Performance Pharma Brand Plans

— SMART TOOL SERIES (#1) —

The 5 Pitfalls **to avoid**

Position Paper

FEBRUARY 2020

## 1. Introduction

**Brand Plans are often inefficient and of little use due to insufficient brand teams involvement, lack of market insights and of coordination across pharma companies departments**

- Smart Pharma consultants have helped 35 pharma companies develop brand plans on more than 80 products belonging to 18 different therapeutic areas:

- |                     |                            |                             |
|---------------------|----------------------------|-----------------------------|
| 1. Allergy          | 7. Immunology              | 13. Oncology                |
| 2. Cardiology       | 8. Infectiology / Virology | 14. Pulmonology             |
| 3. Dermatology      | 9. Metabolism / Diabetes   | 15. Psychiatry              |
| 4. Gastroenterology | 10. Nephrology             | 16. Rare diseases (various) |
| 5. Gynecology       | 11. Neurology              | 17. Rheumatology            |
| 6. Hematology       | 12. Ophthalmology          | 18. Urology                 |

- From this experience, we have identified several common pitfalls that should be avoided to craft brand plans likely to optimize brand performance

*“At affiliate level, the Brand Planning process is often viewed as a window-dressing exercise”*

## 1. Introduction

**For each of these five pitfalls, we propose practical and easy-to-implement solutions so that pharma companies can transform useless brand plans into high-performance ones**

### Pitfall #1

Describing and not analyzing  
the market situation

### Pitfall #2

Carrying out a sub-optimal  
SWOT analysis

### Pitfall #3

Crafting an  
inconsistent strategy

### Pitfall #4

Selecting tactics which do  
not support the strategy

### Pitfall #5

Not integrating  
monitoring indicators

*“The purpose of Brand Plans is to allocate the right resources  
to reach the performance objective set, in an effective and efficient way”*

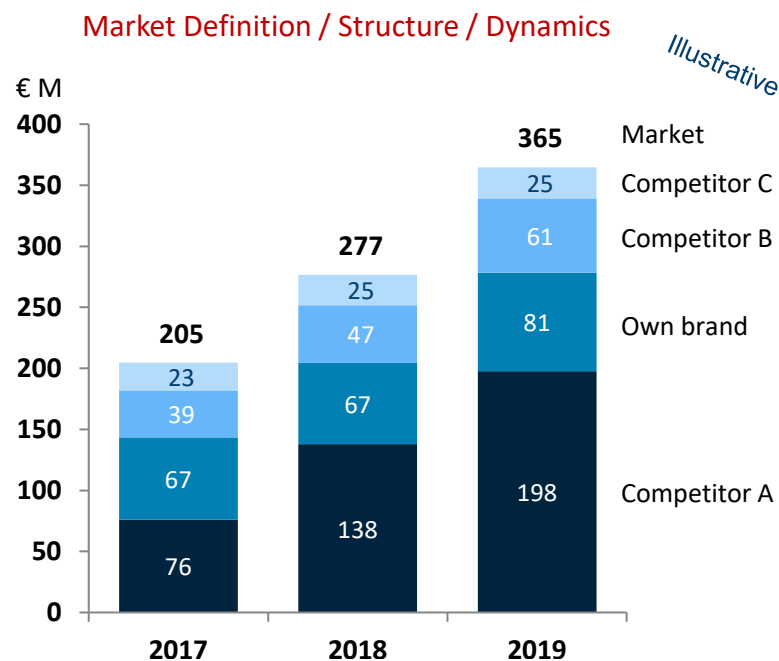
## 2. Pitfalls to avoid

**Market situation is too often superficially analyzed and therefore poorly understood, preventing a proper identification of market opportunities and threats**

### Pitfall #1

Describing and not analyzing the market situation

What do we observe?



- The situation analysis section is most often just a description of the market facts with no or poor analyses
- Despite a large quantity of available data, the knowledge and the understanding of key market stakeholders are too often partial and not accurate
- The main reasons for these weaknesses in the brand planning process come from:
  - Affiliate brand teams considering it is just a constraint, imposed by the regional or global teams, having little, if any, value for them
  - Insufficient time spent to carry out in-depth analyses to enhance market insights (knowledge and understanding)

## 2. Pitfalls to avoid

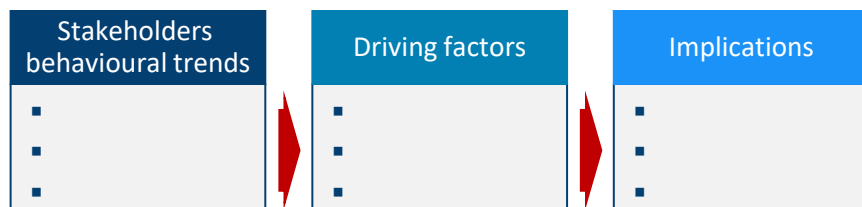
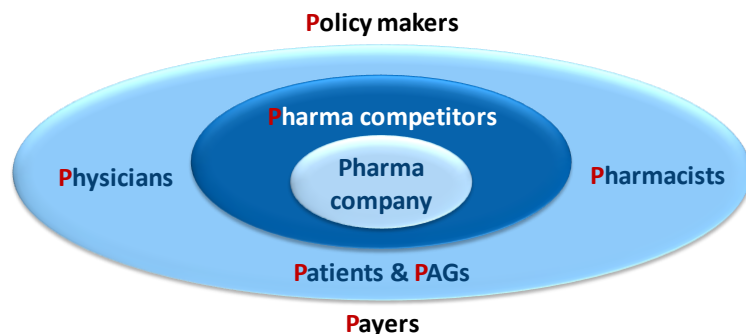
The situation analysis should focus on identifying and analyzing current and future key market events from which implications for the brand will be deducted

### Pitfall #1

Describing and not analyzing the market situation

What do we recommend?

The 7 Ps – Market stakeholders analysis



- A robust analysis of the market situation requires to identify key market features, by gathering precise and reliable information regarding:
  - Sales data trends (historical and forecasted data)
  - Opinion and behavioral trends of key stakeholders (policy makers, payers, physicians, pharmacists<sup>1</sup>, patients, patient advocacy groups (PAGs), pharma competitors)<sup>2</sup> who are likely to impact the market attractiveness and the competitive position
- Then, it is essential to understand the factors that drive stakeholders opinion and behavior, and market attractiveness
- An in-depth market knowledge and understanding will enable to identify the major market opportunities and threats and to assess the brand strengths and weaknesses



## 2. Pitfalls to avoid

**The SWOT analysis is rarely properly structured, preventing from deducting the most relevant key strategic drivers to optimize the brand performance**

### Pitfall #2

Carrying out a sub-optimal SWOT analysis

What do we observe?

Conventional SWOT analytical tool

Market Opportunities	Market Threats
<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> </ul>
Brand Strengths	Brand Weaknesses
<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> <li>▪</li> </ul>

- The SWOT analysis constitutes a structured summary of the situation analysis from which the key strategic drivers (also called: key business drivers, key strategic imperatives, strategic priorities, etc.) should be drawn
- However, the conventional SWOT framework is not well conceived, leading to misuses:
  - It is frequent to see a long list of items, not always relevant, and considered to be of equal importance
  - Opportunities are often confused with strengths, and threats with weaknesses
  - It is not rare for an item to be mixed-up with its cause, leading to wrong strategic decisions<sup>1</sup>
- The frequent inappropriate use of the SWOT framework has led detractors to rename it “*Silly Way Of Thinking*”

## 2. Pitfalls to avoid

**The “Advanced SWOT” helps brand teams carry out a more specific and relevant assessment of the market situation and of the brand competitive position**

### Pitfall #2

Carrying out a sub-optimal SWOT analysis

What do we recommend?

#### Advanced SWOT analytical tool

Market Opportunities	RI <sup>1</sup>	Market Threats	RI
<ul style="list-style-type: none"> <li>Authorities<sup>2</sup></li> <li>Customers<sup>3</sup></li> <li>Competitors</li> </ul>		<ul style="list-style-type: none"> <li>Authorities</li> <li>Customers</li> <li>Competitors</li> </ul>	
Brand Strengths	RI	Brand Weaknesses	RI
<ul style="list-style-type: none"> <li>Product (4 Ps<sup>4</sup>)</li> <li>Services</li> <li>Corporate reputation</li> </ul>		<ul style="list-style-type: none"> <li>Product (4 Ps)</li> <li>Services</li> <li>Corporate reputation</li> </ul>	

- To facilitate the definition of the brand strategic drivers, it is recommended to use the “Advanced SWOT framework” which structures:
  - Market opportunities and threats into stakeholders opinions and behaviors
  - Brand strengths and weaknesses into the product, the associated services and the reputation of the marketing company
- It is also essential to prioritize the items listed in each of the four components of the SWOT framework by evaluating their RI (relative importance) by using, for instance, a five-point scale
- These proposed adjustments of the SWOT framework have shown to be very helpful to transform it into a practical tool

## 2. Pitfalls to avoid

**The brand strategy is too often crafted irrespective of the market reality and is not structured so that to foster the synergy of the supporting activities across departments**

### Pitfall #3

### Crafting an inconsistent strategy

What do we observe?

#### Strategic drivers

Strategic driver #1

Strategic driver #2

Strategic driver #3

- The strategic drivers, which are the priorities on which the company concentrates its resources and capabilities to achieve the performance objective set for its brand, should derive from the SWOT analysis
- The links between the situation analysis, summarized in a SWOT, and the selected strategic drivers, are not always clearly established and sometimes may even not exist
- In addition, if not properly put into perspective with the set objective, the selected strategic drivers may not be the most relevant ones and lead to a suboptimal brand performance
- When the activities corresponding to each strategic driver are not well-defined, across key different operational functions (i.e. market access, medical, marketing, sales), the quality of execution is in general poor

## 2. Pitfalls to avoid

**The Brand Strategy Card has shown to be a useful tool to align the brand ambition, the strategic drivers and the corresponding tactics**

### Pitfall #3

### Crafting an inconsistent strategy

What do we recommend?

#### The Brand Strategy Card



- The Brand Strategy Card shows the brand ambition, the strategic drivers selected to achieve that ambition and the key tactics to support the strategic drivers
- Thus, this one-page Brand Strategy Card helps to ensure the consistency between the three building blocks of the brand strategy: the ambition – the strategic drivers – the key tactics
- The trickiest part is to select the most relevant strategic drivers, as derived from the Advanced SWOT, which are...
- ... opportunities to seize, threats to fight again, strengths to capitalize on, and/or weaknesses to address
- The preferred strategic drivers are those which are the most likely to have an impact on the brand performance so that to achieve the set ambition for the brand

## 2. Pitfalls to avoid

**The tactics do not always support the strategic drivers and are too often limited to marketing and sales activities**

### Pitfall #4

Selecting tactics which do not support the strategy

What do we observe?

Table of key tactics

Tactic	Target	Timing	Responsible	Budget

- It is not rare to see, in brand plans, key tactics which do not formerly support the strategic drivers
- However, key tactics are the actions which are selected to support the strategy
- In other words, these actions are the operational expression of the strategic drivers
- Key tactics are too often described as a series of activities carried out by the marketing and sales departments...
- ... which are a renewal of past activities and for which objectives have not been clearly set and the impact formerly measured
- Being rarely based on the assessment of past experience, the process to prioritize these tactics is in general weak

## 2. Pitfalls to avoid

**Each tactic should be carefully selected to best support the strategic drivers to enhance the probability to achieve the brand ambition**

### Pitfall #4

Selecting tactics which do not support the strategy

What do we recommend?

Table of key tactics related to the strategic drivers

Strategic Driver		Department <sup>1</sup>				
Tactic	Target	Objective	Timing	Responsible	Budget	

- Tactics should be carefully selected to best support each strategic driver
- These tactics may concern not only marketing and sales departments, but also market access and medical affairs departments
- If the medical affairs department is not supposed to promote brands, it can/should however contribute to optimize the use of the brands in the best interest of the patients, by generating and disseminating to healthcare professional relevant medical data
- It is important, for each tactic, to precise the target concerned, to set a precise objective, to plan it, to name a responsible and estimate a budget
- Before selecting a tactic, it may be needed to test the idea<sup>2</sup>

## 2. Pitfalls to avoid

**It is rare to see brand plans with integrated monitoring tools and associated monitoring process, which therefore prevents from measuring the efficacy and efficiency of the selected tactics**

### Pitfall #5

### Not integrating monitoring indicators

What do we observe?

#### Monitoring indicators

Tactic	Target	Objective	Timing	Responsible	Budget	KEIs <sup>1</sup>	KPIs <sup>2</sup>

- A brand plan without indicators to measure the quality of execution and the – direct or indirect – impact of the selected tactics on the business is of little use
- Rare are the companies which integrate, in their brand plan, indicators to measure the quality of execution (Key Execution Indicators) and/or the impact (Key Performance Indicators) of tactics
- Without these indicators and the implementation of a monitoring process, it is impossible to evaluate the efficacy and efficiency of the tactics planned in the brand plan
- Thus, a brand plan with no systematic monitoring can be viewed as a window-dressing exercise

**“If you can’t measure it, you can’t manage it!” – Peter Drucker**

## 2. Pitfalls to avoid

**KEIs<sup>1</sup> and KPIs<sup>2</sup> are both essential, the first type of indicators measuring the quality of execution and the second one the degree of objective achievement**

### Pitfall #5

### Not integrating monitoring indicators

What do we recommend?



Monitoring indicators



#### Quantitative

- % of customer target covered
- Number of interactions with customers
- Number of projects carried out
- Level of resources allocated to customers

- Number of new customers
- Average # of prescriptions per customer
- Sales dynamics
- Return on investment

#### Qualitative

- Quality of interactions with customers
- Level of market insights
- Proper management of projects, from the customer perspective

- Brand Preference Mix Index
- Corporate reputation improvement
- Perceived quality of products
- Perceived value of services

- All brand plans should include monitoring tools and a monitoring process related to each selected tactic
- We recommend to use:
  - **Key Execution Indicators (KEIs)** which measure the quality of execution of tactics
  - **Key Performance Indicators (KPIs)** which measure the business outcome of tactics
- By measuring carefully the quality of execution and the impact of tactics, it is possible to adjust the brand plans (during the year or from the previous year) to make them more efficient and effective

**“KEIs check that you are on the right track and KPIs check that you arrive at destination”**



### 3. Key takeaways

***“High-Performance Pharma Brand Plans require method, rigor and pragmatism”***

#### Recommendations

- Design brand plans with the intent of helping allocating the right resources to **achieve brand performance ambition**, and not just as a formality to be reported at corporate level
- Adopt the **4Ws<sup>1</sup> (What? – Why? – so What? – What to do?)** approach to improve the **relevance**, the **consistency** and the **robustness** of the brand plans
- Use the “Advanced SWOT” to facilitate the analysis of the **market situation** and of the brand **competitive position**, identifying **market opportunities** and **threats** and prioritizing brand **strengths** and **weaknesses**
- **Seek customer preference** rather than customer satisfaction by improving customers perception of the **brand attributes**, the **quality** of the proposed **services** and the **corporate reputation**
- Make the best use of the “**Brand Strategy Card**” to formalize clearly and precisely the brand **ambition**, the **strategic drivers** and the corresponding **key tactics**
- Define **Key Execution Indicators** and **Key Performance Indicators** to monitor respectively the **quality of execution** and the **impact** of tactics

## 4. Smart Pharma Service Offering

### Consulting Services

- Smart Pharma Consulting is well-known for its ability to help brand teams build robust brand plans
- To date, Smart Pharma consultants have helped 35 pharma companies develop strategic and tactical plans on more than 80 brands belonging to 18 different therapeutic areas
- Thus, we can bring our support to address the following issues:
  - Which market analyses should be carried out?
  - How to define market key success factors and the corresponding brand challenges with the help of the “Advanced SWOT”?
  - How to develop market and brand scenarios?
  - How to define the brand performance ambition?
  - How to craft a specific strategy to achieve the brand ambition?
  - How to support the strategy by tactical initiatives likely to reinforce the preference of stakeholders for the brand?
  - How to anticipate the impact of future investment options on the brand performance?
  - How to monitor the quality of execution and the impact of investment decisions?

### Training Program

#### Example of a One-Day Program<sup>1</sup>

8:30	Introduction to the program
8:40	Definitions, concepts, methods, tools related to Brand Plans
9:00	Module 1: Situation analysis Market definition and dynamics Stakeholders opinion and behavioral analysis
10:30	Break
10:50	Advanced SWOT analysis
12:00	Module 2: Sales forecasting & ambition setting
13:00	Lunch
14:00	Module 3: Strategy crafting
15:00	Module 4: Tactics selection
16:00	Break
16:20	Module 4: Tactics monitoring
17:30	Conclusion and key takeaways
18:00	End of the program

#### Target Audience

- Collaborators involved in supporting the brands (e.g. from the medical, marketing, commercial, market research, strategic,... departments), whatever their level of responsibility and seniority

# Pharma Training Programs...

— 2020 – 2021 CATALOGUE —

... for High Potential **Performers**

Smart Pharma **Institute of Management**

**Service Offering** JULY 2020

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## 1. Introduction

The Smart Pharma Institute of Management offers a large array of training programs for high potential executives from pharma and biotech sectors

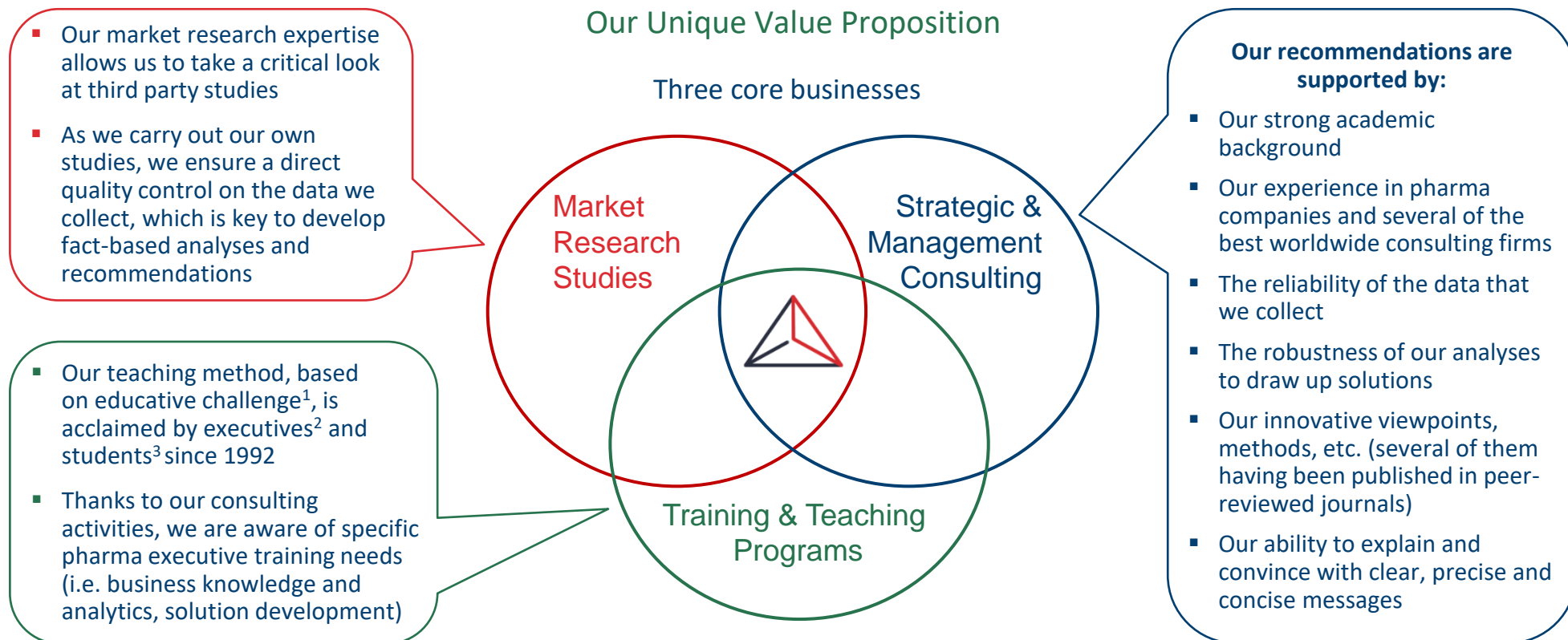
### Training Program Offering

- Our training programs are developed and carried out by the “Smart Pharma *Institute of Management*” which is our professional training center
- Smart Pharma *Institute of Management* is a division of Smart Pharma Consulting that offers training programs to high potential executives from pharma and biotech sectors
- Those high-level training programs have been designed for professionals who are willing to reinforce their skills in Strategy, Operational Marketing and Management in both national and international contexts

*“The **Smart Manager** knows **where**, **why** and **how to go**”*

## 1. Introduction

**Our training & teaching programs are unique because they are built on our market research and consulting expertise in the pharma sector and delivered by experts**



**Smart Pharma is a certified Training Organization since 2002**

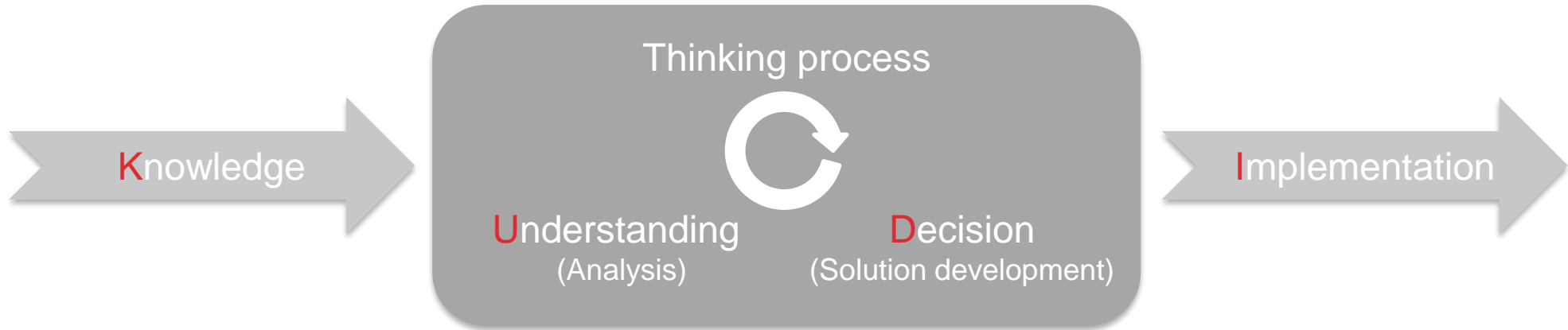
## 1. Introduction

Our training and teaching programs have been designed to boost the knowledge of participants, their ability to understand, to make decisions and to implement them

“Smartness Formula” (1/2)

- Our training and teaching method is based on the “**Smartness Formula**”:

Smartness = **K**nowing x **U**nderstanding x **D**eciding x **I**mplementing



*“Any fool can know. The point is to understand” – Albert Einstein*

## 1. Introduction

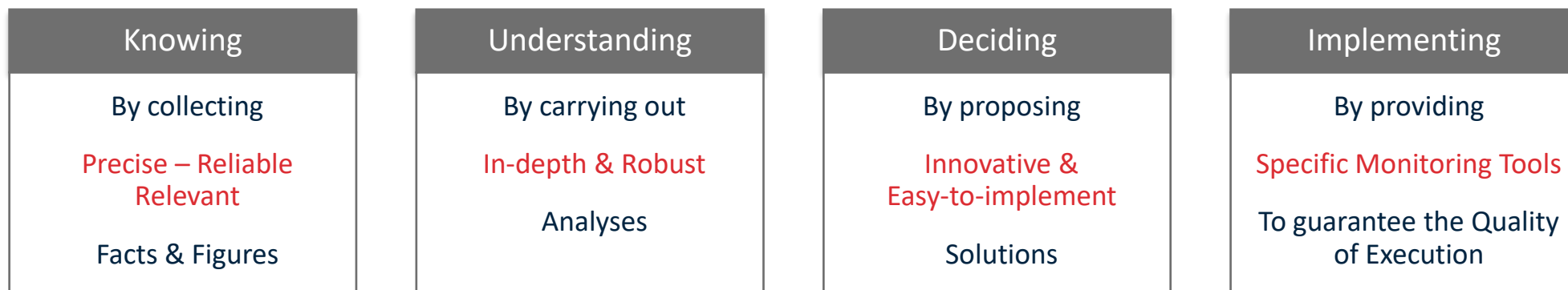
The “Smartness Formula” has shown to be effective to diagnose development needs of participants and to structure development programs

“Smartness Formula” (2/2)

- The “**Smartness Formula**” provides a structure to identify development needs and organize in an effective and more efficient manner

**S**martness = **K**nowing x **U**nderstanding x **D**eciding x **I**mplementing

Smartness components





## 1. Introduction

Smart Pharma Consulting has published the “Pharma Marketing Tool Box” which is a book specifically designed for Pharma Marketers

Publications: Marketing book<sup>1</sup>

**Jean-Michel Peny**

### Pharma Marketing Tool Box



2<sup>nd</sup> Revised & Augmented Edition

**Smart Pharma Institute of Management**  
A division of  **Smart Pharma Consulting**

*Author: Jean-Michel Peny is President of the Strategy and Management consulting firm Smart Pharma Consulting, Director of Smart Pharma Institute of Management, Lecturer in Pharmaceutical Strategy and Marketing at the ESSEC business school, at the Faculty of Pharmaceutical Sciences (Paris XI)*

*Editor: Smart Pharma Consulting – 246 pages*

### Presentation

The book provides a clear, precise and concise review of the most relevant and useful concepts in the context of pharmaceutical marketing

The author presents:

- Innovative marketing approaches
- Specific analyses
- Practical tools

This user-friendly “tool box” has been structured to encourage the rigor and relevance of marketing thinking of pharmaceutical executives

### Brief Content

- Introduction
- Part 1 – Market Research
- Part 2 – Strategic Marketing
- Part 3 – Operational Marketing
- Part 4 – Marketing Planning

## 1. Introduction

Since 2017, Smart Pharma Consulting has published  
 12 Best-in-Class position papers applicable to the pharma sector

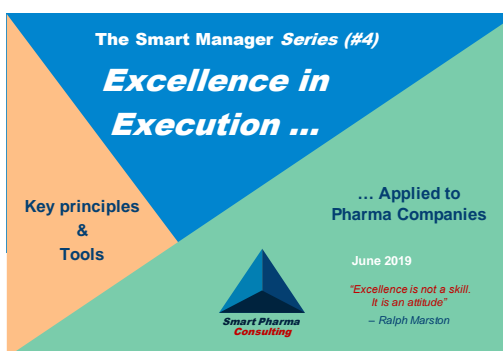
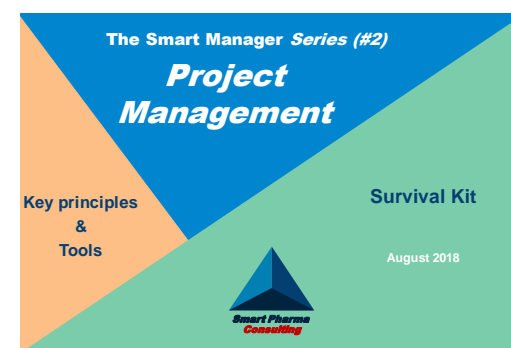
Publications: Position papers<sup>1</sup> (1/3)



## 1. Introduction

Smart Pharma Consulting has published  
6 position papers on general management applicable to the pharma sector

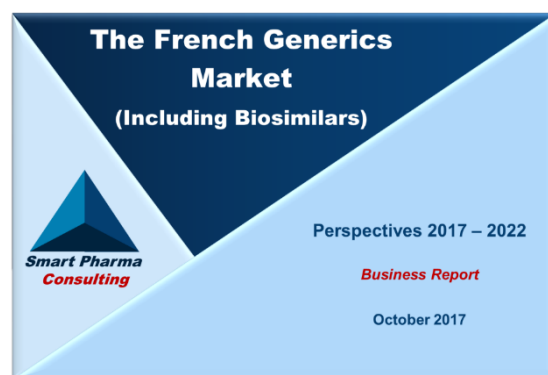
Publications: Position papers<sup>1</sup> (2/3)



## 1. Introduction

Since 2017, Smart Pharma Consulting has published 5 market reports about the global and French pharma markets; the generics and biosimilars markets

Publications: Position papers<sup>1</sup> (3/3)



## 1. Introduction

**Smart Pharma Consulting has published 40 articles in national and international specialized magazines, addressing key pharmaceutical market issues**

### Publications: Articles<sup>1</sup>

#### Strategy: Ethical products

- Building prescriber loyalty (1993)
- ACE-inhibitors - an analysis of marketing strategy (1994)
- Are generic defense strategies worth the effort? (1996)
- Winning strategies in the French hospital market (1996)
- Making the most of maturity (2003)
- The end of the back-up brands? (2005)
- Financial requirements of immunisation programmes in developing countries: 2004-2014 perspective (2005)
- Les marques sont-elles condamnées à mourir ? (2007)
- Le BPS, pour la "justesse de voix" (2008)
- La réputation d'entreprise – Un nouvel enjeu stratégique (2008)

#### Effectiveness and Operational organization

- Heading for change: marketing and sales trends in France (1995)
- Counting the cost of purchase (1997)
- The brave new world of corporate marketing (2000)
- Talking up sales (2002)
- How customer-centricity can increase brand preference? (2009)

#### Environment

- Drug reimbursement harmonization in Europe (1994)
- Working with the authorities (2002)
- The Evolution of the global pharma industry (2012)
- Disease management opportunities in France (1997)
- Survival strategies in contract sales organizations (2002)
- Changes at the French pharmacy (2004)

#### Strategy: Generics

- Entering the French generics market (1997)
- Is the sun rising for Japanese generics? (1998)
- Can generics really help to curb French healthcare costs? (1999)
- Lighting fire from wet timber in French generics market (2001)
- How bright is the future for generics? (2003)
- Barriers to substitution (2005)
- What is the value of authorized generic agreements? (2006)
- Princeps-génériques: Faut-il pactiser avec l'ennemi ? (2007)
- Quelles perspectives pour les génériques ? (2007)
- Les génériques, ce n'est plus automatique (2011)
- What future for the French retail generic market? (2015)

#### Strategy: OTC & Dietary Supplements

- Assessing the OTC market in France (1997)
- How bright are the prospects for self-medication in France? (1999)
- Thin pickings in dietary supplements (1999)
- Should big pharmas sell their OTC business? (2004)
- Automédication: Quel attrait pour le marché mondial ? (2006)
- Des stratégies opposées pour les « big pharma » (2006)
- Le switch: solution ou danger (2006)<sup>5</sup>
- Le médicament en libre accès: La grande illusion (2007)

## 1. Introduction

**All programs are led by Jean-Michel Peny, President of Smart Pharma Consulting and Program Faculty Director of the Smart Pharma Institute of Management**

### Jean-Michel Peny

#### ■ Experience:

- 1 year as pharmacist at Begin hospital blood bank<sup>1</sup>
- 7 years as General Manager for pharma companies:
  - 3 years in Sri Lanka (Servier)
  - 3 years in India (Servier)
  - 1 year in France (Novartis Generics)
- 27 years as Consultant specialized in Strategy and Management in the pharmaceutical sector (Bain & Co, Arthur D. Little, AT Kearney, ISO Health Care Consulting, Smart Pharma Consulting)
- 28 years of teaching activity:
  - Lecturer: ESCP Europe B-School, ESSEC B-School, Paris Pharmaceutical and Medical Universities
  - Former affiliate Professor of Strategy & Marketing at HEC B-School
  - 1992-2001: Master “Pharma & Biotech Management” – ESCP Europe B-School

#### – 18 years of training activity:

- Intra-company programs since 2002
- Inter-company programs since 2006

#### ■ Education:

- Pharm. D. – Nantes University
- MBA – HEC Business School
- Executive programs:
  - Strategic Marketing – Harvard Business School
  - Corporate Strategy – Sloan School of Management
  - Management of small corporations – Stanford B-School
- Master 2, International Trade – IAE Lyon 3 University
- Master 2, Pharmaceutical marketing – Paris 5 University

#### ■ Publications:

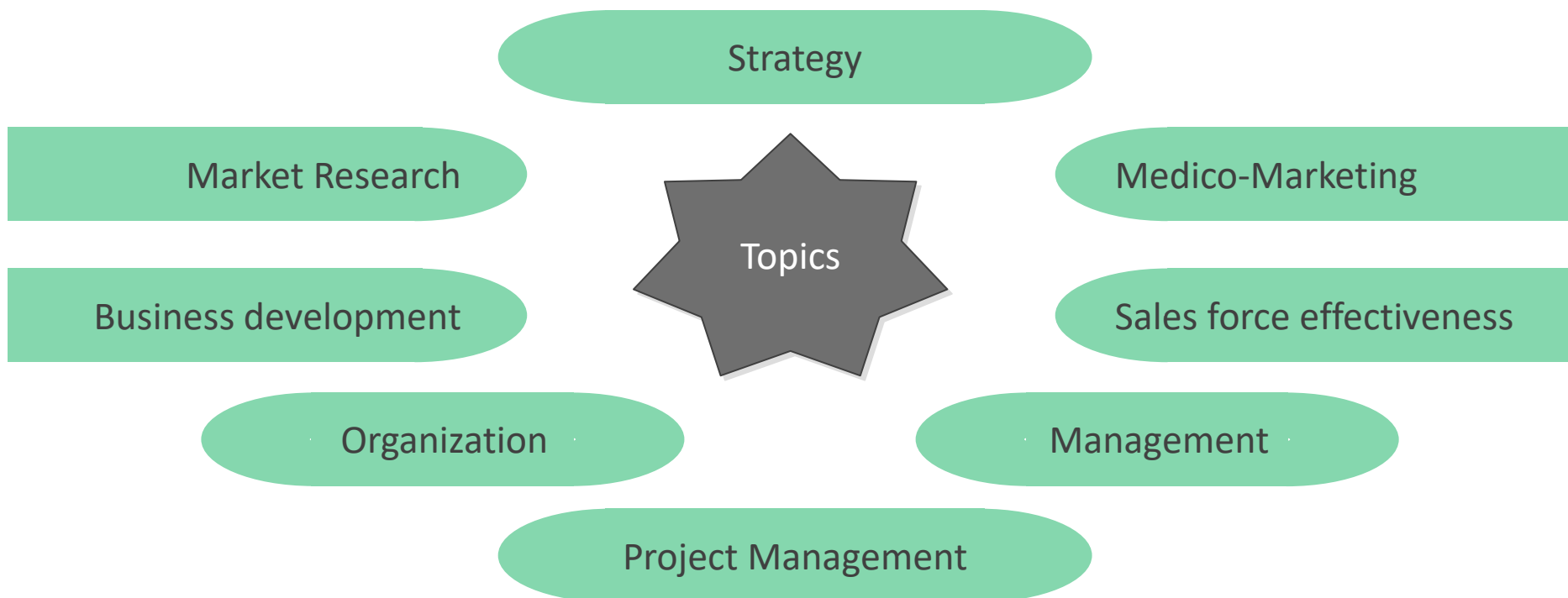
- 6 books
- 40 articles
- ~150 position papers

## 2. Training Programs

Our training programs are developed and carried out by the Smart Pharma Institute of Management which is our professional training center, registered since 2002

Key topics covered

- We disseminate insights through our training programs which cover eight key topics:



## 2. Training Programs – Inter-companies

**We propose a 5-day seminar for high potential and seasoned marketers who want to reinforce their strategic and operational marketing skills**

2020 sessions in French in Paris  
 October 19 to 23

### Seminar<sup>1</sup>: Pharma Strategy & Marketing

2021 sessions in French in Paris  
 February 1 to 5

#### Day 1: Strategic thinking applied to companies

- Worldwide Pharma and Biotech sectors
- Evolution of the Pharma business model by 2020
- Strategic management of Pharma companies

#### Day 2: Marketing strategic thinking

- Optimization of brand value: Brand Preference Mix, etc.
- Dynamic prescribers segmentation: Behavioral Prescribers Segmentation (BPS) approach
- Sales forecasting and performance objectives setting
- Brand Planning: Advanced SWOT, Strategy Card, etc.

#### Day 3: Marketing tactical thinking

- Digital marketing and multi-channel approach
- Promotional resource allocation
- Definition of Key Execution Indicators (KEIs) and Key Performance Indicators (KPIs)
- Integration of new marketing tools: Integrated Promotional Strategy (IPS) approach

#### Day 4: Specialized market segment analysis

- Marketing of generics and biosimilar products
- Marketing of OTC products and Rx-to-OTC switches
- Management of mature products
- Marketing of niche and hospital products

#### Day 5: Development of managerial skills

- Sales force effectiveness
- Team leadership
- Corporate behavior
- Communication principles

#### Target Audience

- |   |  |
|---|--|
| – <b>Marketing executive</b><br>(e.g. marketing managers, group product managers, product managers) | – <b>Medical executives</b><br>(e.g. MSLS, medical managers)                   |
| – <b>Market research executives</b>   | – <b>Sales forces executives</b><br>(e.g. sales force managers, area managers) |
| – <b>Strategic planners</b>   |  |



## 2. Training Programs – Inter-companies

**We propose a 5-day seminar for sales managers  
of pharma companies wishing to become “High Performers”**

**Seminar<sup>1</sup>: High Performance Sales Manager**

2021 session in French  
in Paris March 8 to 12

### **Day 1: Recent changes in the environment and implications**

- The healthcare system: national, regional and local (hospitals and other institutions)
- Strategic, tactical and organizational implications for sales forces

### **Day 2: Sales force performance – Strategy**

- Dynamic and individual customer segmentation
- Search for customer preference
- Creating high impact interactions with customers

### **Day 3: Sales force performance – Organization**

- Adapt activities and strengthen skills required
- Define a flexible structure adapted to targeted customers
- Craft procedures to facilitate the cooperation between medical, marketing and sales departments
- Establish a culture of commitment and excellence

### **Day 4: Best-in-class Leaders & Managers**

- Develop and share a vision and values
- Stimulate collaborators passion for their job
- Manage according to the “mutual benefits” principle
- Organize and monitor sales forces activities

### **Day 5: Specific development of collaborators**

- Use methods and tools to improve customers insights
- Analyze performance and set priorities
- Support the crafting of pragmatic action plans
- Improve cross-functional collaboration

### **Target Audience**

- **Marketing & Sales Managers**
- **Sales force Managers**
- **Commercial Managers**
- **Area Managers**

## 2. Training Programs – Intra-companies

**We have specifically designed Masterclasses to offer in-depth trainings to pharma company executives on a specific topic**

### Masterclass<sup>1</sup>: Principles

#### Concept

- Masterclasses offer participants the opportunity to focus on a specific subject and apply innovative concepts, useful methods and practical tools to real-life situations, to learn by doing
- Masterclasses are moderated by Jean-Michel Peny, who has been, for 28 years:
  - Teaching students of the best French Business Schools and Universities of Pharmacy and Medicine
  - Training executives from the pharma industry
- Each Masterclass is limited to a maximum of 12 participants and lasts from 1 to 4 days

#### Organization

- **Pre-Masterclass session**
  - Participants will receive a specific documentation including concepts, methods and tools
- **Masterclass session (1 to 4 days)<sup>2</sup>**
  - Part 1: Review of the concepts, methods and tools that will be used
  - Part 2: Lecture by and discussion with a “guest speaker” expert in the topic covered
  - Part 3: Implementation of the concepts, methods and tools through real-life case studies
  - Part 4: Co-development with participants of key learnings
- **Post-Masterclass**
  - Structuration of the key learnings of the Masterclass session to be sent to participants

## 2. Training Programs – Intra-companies

The “Strategic Marketing Excellence” masterclass focuses on high-performance positioning and segmentation case studies calling on creativity and rigor

### Masterclass<sup>1</sup>: Strategic Marketing Excellence

#### Day 1

9:00	Introduction to the masterclass
9:10	Review and discussion of conventional and innovative strategic marketing concepts, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “How to create a sustainably attractive brand? – Lessons from non-pharma industries”
11:45	Break
12:00	Case study #1: Development and implementation of a Brand Preference strategy for: - A secondary care brand (working group A) - A primary care brand (working group B) <sup>2</sup>
13:00	Lunch
14:00	Case study #1: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of day 1

#### Day 2

9:00	Introduction to the 2 <sup>nd</sup> day
9:10	Case study #2: Development and implementation of an optimized customer segmentation applied to: - Individual prescribers (working group C) - Individual hospital departments (working group D) <sup>3</sup>
11:10	Break
11:30	Presentation of the working groups C & D outputs, discussion and agreement on key learnings
13:00	Lunch
14:00	Case study #3: Development and implementation of an Individual Prescriber Plan for: - Individual prescribers (working group E) - Individual hospital departments (working group F) <sup>3</sup>
15:30	Break
15:45	Presentation of the working groups E & F outputs, discussion and agreement on key learnings
16:45	Co-development with participants of key learnings
17:45	End of the masterclass

## 2. Training Programs – Intra-companies

The “Tactical Marketing Excellence” masterclass proposes attendees to work on case studies dedicated to best practices re. the execution of marketing initiatives

### Masterclass<sup>1</sup>: Tactical Marketing Excellence

#### Day 1

9:00	Introduction to the masterclass
9:10	Review and discussion of conventional and innovative tactical marketing concepts, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “What is the real value of digital marketing initiatives? – Lessons from best-in-class pharma companies”
11:45	Break
12:00	Case study #1: Development and implementation of conventional and digital multichannel initiatives to: - Individual prescribers (working group A) - Individual hospital departments (working group B) <sup>2</sup>
13:00	Lunch
14:00	Case study #1: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of day 1

#### Day 2

9:00	Introduction to the 2 <sup>nd</sup> day
9:10	Case study #2: Marketing sensitivity to investment and resource allocation optimization at: - Individual prescribers (working group C) - Individual hospital departments (working group D) <sup>2</sup>
11:10	Break
11:30	Presentation of the working groups C & D outputs, discussion and agreement on key learnings
13:00	Lunch
14:00	Case study #3: Development and implementation of action plans and monitoring tools (KEIs <sup>3</sup> & KPIs <sup>4</sup> ) for: - Individual prescribers (working group E) - Individual hospital departments (working group F) <sup>2</sup>
15:30	Break
15:45	Presentation of the working groups E & F outputs, discussion and agreement on key learnings
16:45	Co-development with participants of key learnings
17:45	End of the masterclass

## 2. Training Programs – Intra-companies

The “Market Analysis & Forecasting” masterclass has been designed for participants looking for robust and simple tools, and wishing to strengthen their analytical skills

### Masterclass<sup>1</sup>: Market Analysis & Forecasting

#### Day 1: Market Analysis

9:00	Introduction to the masterclass
9:10	Review and discussion of analytical concepts, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “Review of the most advanced market analyses – Lessons from non-pharma markets”
11:45	Break
12:00	Case study #1: Market & brand dynamics evaluation: - Stakeholders behaviors analysis <sup>2</sup> - Key market drivers & barriers analysis - Sensitivity of brands to operational <sup>3</sup> investments - From data analysis to decision making
13:00	Lunch
14:00	Case study #1: cont.
16:00	Break
16:15	Presentation of the case study outputs, discussion and agreement on key learnings
17:45	End of day 1

#### Day 2: Forecasting

8:30	Introduction to the 2 <sup>nd</sup> day
8:40	Review and discussion of sales forecasting concepts, methods and tools sent to participants as a pre-read
10:00	Break
10:15	Case study #2 part 1: Baseline & scenario building: - Historical trends evaluation - Determination of future events and of their impact
12:30	Lecture by and discussion with an expert: “What is the business value of sales forecasting?”
13:00	Lunch
14:00	Case study #2 part 2: Sales forecast modeling: - Patient-based forecasting - Lifecycle based forecasting (new, growing, mature)
16:00	Break
16:15	Presentation of the case study (parts 1 & 2) outputs, discussion and agreement on key learnings
16:45	Co-development with participants of key learnings
17:45	End of the masterclass

## 2. Training Programs – Intra-companies

This masterclass helps med reps better understand how they must build and then use action plans to improve the efficiency and efficacy of their daily activities

### Masterclass<sup>1</sup>: Action Plans for Med Reps

#### Day 1

9:00	Introduction to the masterclass
9:10	Review and discussion of activity planning objective, concepts, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “How to build useful action plans benefiting primarily to the med reps?”
11:45	Break
12:00	Case study #1: Analysis of the situation at territory level – External & Internal analysis: - Primary care brand (group A) - Secondary care brand (group B)
13:00	Lunch
14:00	Case study #1: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of day 1

#### Day 2

9:00	Introduction to the 2 <sup>nd</sup> day
9:10	Case study #2: Objective setting and strategy crafting: - Primary care brand (group A) - Secondary care brand (group B)
11:10	Break
11:30	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
13:00	Lunch
14:00	Case study #3: Development of specific actions to support the territory strategy previously set and selection of activity and performance indicators: - Primary care brand (group A) - Secondary care brand (group B)
15:30	Break
15:45	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
16:45	Co-development with participants of key learnings
17:45	End of the masterclass

## 2. Training Programs – Intra-companies

We propose four-day sessions to familiarize participants (med reps and/or their manager) with the four pillars supporting the ELITE Program<sup>1</sup>

### Masterclass<sup>2</sup>: ELITE Program for Med Reps (1/2)

#### Day 1 – Pillar #1: Prescriber Insight

9:00	Introduction to the session
9:10	Review and discussion of the concept, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “Customer Insight – Lessons from FMCG <sup>3</sup> companies”
11:45	Break
12:00	Case study: Application of the “Seeker Portrait” Model developed by Smart Pharma Consulting to: - Individual prescribers (group A) - Individual hospital departments (group B)
13:00	Lunch
14:00	Case study: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of day 1

#### Day 2 – Pillar #2: Brand Preference Tactic

9:00	Introduction to the session
9:10	Review and discussion of the concept, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “How do non-pharma companies proceed to strengthen customer preference to their brands?”
11:45	Break
12:00	Case study: Application of the “Brand Preference Mix” approach by med reps at: - Individual prescriber level (group A) - Individual hospital department level (group B)
13:00	Lunch
14:00	Case study: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of day 2

## 2. Training Programs – Intra-companies

We propose four-day sessions to familiarize participants (med reps and/or their manager) with the four pillars supporting the ELITE Program<sup>1</sup>

### Masterclass<sup>2</sup>: ELITE Program for Med Reps (2/2)

#### Day 3 – Pillar #3: High Impact Interactions

9:00	Introduction to the session
9:10	Review and discussion of the concept, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “How to create unique touchpoints with customers? – Lessons from FMCG <sup>3</sup> companies”
11:45	Break
12:00	Case study: Application of the “H2I” <sup>4</sup> Program developed by Smart Pharma Consulting to: - Individual prescribers (group A) - Individual hospital departments (group B)
13:00	Lunch
14:00	Case study: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of day 3

#### Day 4 – Pillar #4: Job Passion

9:00	Introduction to the session
9:10	Review and discussion of the concept, methods and tools sent to participants as a pre-read
10:30	Lecture by and discussion with an expert: “How to boost your passion for your work? – A practical approach”
11:45	Break
12:00	Case study: Identification of the drivers likely to stimulate the passion of med reps for their job: - Job-related drivers (group A) - Company-related drivers (group B)
13:00	Lunch
14:00	Case study: cont.
16:00	Break
16:15	Presentation of the working groups A & B outputs, discussion and agreement on key learnings
17:45	End of the masterclass



## 2. Training Programs – Intra-companies

This masterclass provides a method and tools to help MSLs increase their efficacy and efficiency, especially when interacting with KOLs

### Masterclass<sup>1</sup>: Best-in-Class MSLs

#### Day 1

9:00	Introduction
9:15	Reminder of MSLs <b>role &amp; responsibilities</b> taking into account the national <b>regulatory framework</b>
10:00	Presentation: MSLs <b>issues &amp; challenges</b>
10:30	Presentation: <b>Recruitment</b> and <b>Management</b> of <b>KOLs</b>
11:15	<i>Break</i>
11:30	Workshop #1: “ <b>KOLs mapping</b> ”
12:30	<i>Lunch</i>
13:30	Workshop #2: “ <b>KOLs relationship management</b> ”
14:30	Workshop #3: “ <b>Creation of high impact interactions</b> ”
15:30	<i>Break</i>
15:45	Workshop #4: “ <b>Contribution</b> of the <b>MSL</b> to the <b>enhancement</b> of <b>pharma company’s reputation</b> ”
16:45	Plenary discussion: “ <b>How to improve collaboration</b> with <b>medical reps</b> and <b>KAMs?</b> ”
17:30	Conclusion
18:00	End of day 1

#### Day 2

9:00	Introduction
9:15	Presentation: MSLs’ <b>strategic &amp; operational plans</b> (best practices – models)
10:00	Presentation: Changes in the <b>healthcare system</b> and in the <b>pharma market</b> by <b>2020</b>
10:45	Workshop #5: “Analysis of the <b>regional environment</b> ” (ARS, KOLs, hospital services, healthcare networks)
11:30	<i>Break</i>
11:45	Workshop #6: “Analysis of the <b>regional activities</b> of <b>MSLs</b> ” (partnerships, projects, quality of interactions with KOLs)
12:15	Presentation & practical exercises “ <b>SWOT</b> analysis in the scope of <b>MSLs</b> ”
13:00	<i>Lunch</i>
14:00	Workshop #7: “ <b>Objectives setting, definition</b> of a <b>strategy</b> and of <b>operational activities monitoring</b> ”
16:00	<i>Break</i>
16:15	Conclusion
17:00	End of the masterclass

## 2. Training Programs – Intra-companies

The ambition of this masterclass is to provide participants with a unique experience during which they will boost their BD&L<sup>1</sup> knowledge and thinking process

### Masterclass<sup>2</sup>: BD&L best practices

#### Day 1

- 9:00 Introduction (objectives, organization of the day, specific requests from participants)
- 9:15 Lecture / discussion #1: BD&L objective and basic principles
- 10:00 Exercise #1 in plenary session: Would BD&L deals make sense at your affiliate / region level? And why?
- 10:40 Break
- 11:00 Exercise #2 in working groups: Draw the list of relevant information to be collected to evaluate BD&L opportunities, the corresponding sources and their level of reliability
- 11:50 Debrief of the exercise #2 and key takeaways
- 13:00 Lunch
- 14:00 Lecture & discussion #2: Market, product and company data analyses: best practices
- 15:00 Case study #1: Opportunity assessment  
Rx-driven product – OTC product and/or Medical device
- 16:15 Break
- 16:30 Debrief of the case study #1 and key takeaways
- 17:30 Conclusions of the day
- 17:45 End of day 1

#### Day 2

- 9:00 Lecture & discussion #3: Method and Tools to select most attractive opportunities (charts, ID cards, valuation techniques)
- 9:40 Case study #2: Best candidate(s) selection
- 11:00 Break
- 11:15 Debrief of the case study #2 and key takeaways
- 12:15 Lecture & discussion #4: Definition of the best deal structure (e.g. in-licensing, JV, acquisition)
- 12:35 Case study #3 in plenary session: Which deal structure to favor according to the situation?
- 13:00 Lunch
- 14:00 Lecture & discussion #5: How to approach and negotiate a BD&L opportunity?
- 14:45 Case study #4: Approach & Negotiation
- 15:45 Break
- 16:00 Debrief of the case study #4 and key takeaways
- 16:45 Lecture & discussion #6: Alliance management best practices
- 17:15 Conclusions of the session
- 17:45 End of the masterclass

## 2. Training Programs – Intra-companies

**This masterclass provides Good Managers with tips to become Smart Managers and thus boost their performance and the performance of their collaborators**

### Masterclass<sup>1</sup>: Smart vs. Good Managers

#### Day 1

9:00	Introduction to the masterclass
9:10	Review of and discussion about the seven tips to be mastered to become a Smart Manager (pre-read sent to participants)
10:30	Lecture by and discussion with an expert: "Managers vs. Leaders"
11:45	Break
12:00	Workshop #1: Purpose – Mission – Values – Vision
13:00	Lunch
14:00	Workshop #2: Strategy crafting
15:00	Workshop #3: Management by mutual benefits
16:30	Break
16:45	Workshop #4: Use of the Smart Index
18:15	End of day 1

#### Day 2

9:00	Introduction to the 2 <sup>nd</sup> day
9:10	Workshop #4: Use of the Smart Index (cont.)
10:45	Break
11:00	Workshop #5: Dynamic management of collaborators
13:00	Lunch
14:00	Workshop #6: Stimulation of job passion
15:30	Break
15:45	Workshop #7: Management model selection
17:15	Conclusion of the masterclass
18:00	End of the masterclass

## 2. Training Programs – Intra-companies

This program helps participants significantly improve their time management through the application of simple and effective good practices

### Masterclass<sup>1</sup>: Time Management

#### Day 1

9:00	Introduction to the masterclass
9:10	Review of and discussion about the 8 tips to better manage time at work (pre-read sent to participants)
10:30	<i>“Why is your time at work so precious?”</i>
11:45	<i>Break</i>
12:00	Workshop #1: <i>How well do you manage your time? – Express Self-diagnosis</i>
13:00	<i>Lunch</i>
14:00	Workshop #2: <i>Situation analysis: Time wasters identification</i>
15:30	<i>Break</i>
16:00	Workshop #3: <i>Management of time wasters</i>
17:30	End of day 1

#### Day 2

9:00	Introduction to the 2 <sup>nd</sup> day
9:10	Workshop #3: <i>Management of time wasters</i> (cont.)
10:45	<i>Break</i>
11:00	Workshop #4: <i>Planning and implementation</i>
12:00	Workshop #5: <i>Tracking &amp; sharing outcomes</i>
13:00	<i>Lunch</i>
14:00	Case study #1: <i>“Manager Time”</i>
15:30	<i>Break</i>
15:45	Case study #2: <i>“Pharma Time”</i>
17:15	Conclusion of the masterclass
17:30	End of the masterclass

## 2. Training Programs – Intra-companies

**This program helps participants significantly improve their project management through the application of simple and effective good practices**

### Masterclass<sup>1</sup>: Project management

#### Content & Organization

- The program will include basic principles, key tools, practical exercises and case studies relative to the pharmaceutical industry
- The program content will be customized according to the specific needs of the clients
- The program duration will be of one day, one day and a half or two days, according to the clients needs and desire

#### Target Audience

- Any collaborators from pharmaceutical companies having the responsibility to manage projects that are more or less complex
- Participants can be part of the medical, marketing, commercial, market research, strategic,... departments

#### Example of a One-Day Program

9:00	Introduction to the program
9:10	Review of the basic principles and key tools to properly manage projects
10:40	<i>Break</i>
11:00	Exercises: Familiarization with the key tools
12:30	<i>Lunch</i>
13:30	Case study #1: Application to a simple project
15:00	<i>Break</i>
15:20	Case study #2: Application to a moderately complex project
16:50	Conclusion and key takeaways
17:30	End of the program

## 2. Training Programs – Intra-companies

This one-day program will help participants define relevant KPIs (key performance indicators) and KEIs (key execution indicators) for a better efficacy and efficiency

### Masterclass<sup>1</sup>: KPIs & KEIs

#### Content & Organization

- The program will include basic definitions, recommendations, key tools, practical exercises and case studies relative to the pharmaceutical industry
- The program content will be customized according to the specific needs of the clients
- The program duration will be of one day, one day and a half or two days, according to the client needs and desire

#### Target Audience

- Any collaborators from pharmaceutical companies, whatever their level of responsibility and seniority
- Participants can be part of the medical, marketing, commercial, market research, strategic,... departments

#### Example of a One-Day Program

9:00	Introduction to the program
9:10	Review definitions and basic principles related to KPIs and KEIs, in general and in the context of the pharma business
10:40	<i>Break</i>
11:00	Exercises: Indicators selection – Data collection – Data analysis – Dashboard design – Action taking
12:30	<i>Lunch</i>
13:30	Case study #1: Practical implementation
15:00	<i>Break</i>
15:20	Case study #2: Practical implementation
16:50	Conclusion and key takeaways
17:30	End of the program

## 2. Training Programs – Intra-companies

This program will help participants get familiar with the basic principles and methods to tell stories to connect with and influence audiences

### Masterclass<sup>1</sup>: **Storytelling in Business**

#### Content & Organization

- The program will include basic definitions, recommendations, key tools, practical exercises and case studies related to the pharmaceutical industry
- The program content will be customized according to the specific needs of the client
- The program duration will be of one day, one day and a half or two days, according to the client needs and desire

#### Target Audience

- Any collaborators from pharmaceutical companies, whatever their level of responsibility and seniority
- Participants can be part of the medical, marketing, commercial, market research, strategic,... departments

#### Example of a One-Day Program

9:00	Introduction to the program
9:10	Review definitions and basic principles related to storytelling, in general and in the context of the pharma business
10:40	<i>Break</i>
11:00	Exercises: <b>Know your audience – Define the right message – Be authentic – Keep it simple &amp; visual – Involve the audience</b>
12:30	<i>Lunch</i>
13:30	Case study #1: <b>Practical implementation</b>
15:00	<i>Break</i>
15:20	Case study #2: <b>Practical implementation</b>
16:50	Conclusion and key takeaways
17:30	End of the program

## 2. Training Programs – Intra-companies

The Physician Experience Program will provide participants with ready-to-implement solutions for in-field and back-office collaborators of pharma companies

### Masterclass<sup>1</sup>: Implementing a Physician Experience Program

#### Content & Organization

- The program will include basic definitions, recommendations, key tools, practical exercises and case studies related to the pharmaceutical industry
- The program content will be customized according to the specific needs of the client
- The program duration will be of one day, one day and a half or two days, according to the client needs and desire

#### Target Audience

- Any collaborators from pharmaceutical companies, whatever their level of responsibility and seniority
- Participants can be part of the medical, marketing, commercial, market research, strategic,... departments

#### Example of a One-Day Program

9:00	Introduction to the program
9:10	Definitions, concepts, methods, tools related to Experience
10:40	<i>Break</i>
11:00	Exercises: Defining a shared vision & ambition – Crafting a strategy – Mapping physician journeys and selecting the most relevant
12:30	<i>Lunch</i>
13:30	Case study #1: Rethinking medical calls experiences
15:00	<i>Break</i>
15:20	Case study #2: Rethinking medical meetings
16:50	Conclusion and key takeaways
17:30	End of the program



## 2. Training Programs – Intra-companies

This program specially designed for medical reps will help them find solutions to secure access to physicians and boost their preference for the brands they promote

### Masterclass<sup>1</sup>: From Promotional- to Service-led Medical Calls

#### Content & Organization

- The program will include basic definitions, recommendations, key tools, practical exercises and case studies related to the pharmaceutical industry
- The program content will be customized according to the specific needs of the client
- The program duration will be of one day, one day and a half or two days, according to the client needs and desire

#### Target Audience

- Medical reps and their managers
- Area Managers
- Sales Force Managers

#### Example of a One-Day Program

9:00	Introduction to the program
9:10	Definitions, concepts, methods, tools related to Service-led Medical Calls
10:40	<i>Break</i>
11:00	Case study #1: Defining the medical calls likely to create a unique and memorable positive experience for physicians
12:30	<i>Lunch</i>
13:30	Case study #2: Preparing service-led medical calls
15:00	<i>Break</i>
15:20	Case study #3: Executing and following-up service-led medical calls
16:50	Conclusion and key takeaways
17:30	End of the program

**Consulting firm dedicated to the pharmaceutical sector operating  
in the complementary domains of strategy, management and organization**

### **The Smart Pharma Publications**

- Our publications have in common to:
  - Be well-documented and propose in-depth analyses
  - Share innovative concepts, methods and tools

### **2020 Half-Year Collection**

- This e-book includes 5 position papers and the catalogue of our 2020 training programs:

#### **Covid-19 related Insights & Recommendations**

- Covid-19 Outbreak & Business Continuity
- Engaging HCPs in Post Covid 19 Era
- Global Pharma Market & Covid-19 Impact

#### **Market Insights**

- French Retail Pharmacies

#### **Management**

- High Performance Brand Plans
- Pharma Training Programs (2020 Catalogue)

### **Smart Pharma Consulting**



- Besides our consulting activities which take 85% of our time, we are strongly engaged in sharing our knowledge and thoughts through:
    - Our teaching and training activities
    - The publication of articles, booklets, books and expert reports
  - More than 80 publications, in free access, can be downloaded from our website, of which:
    - 18 business reports (e.g. The French Pharma Market)
    - 9 position papers in the “Best-in-Class Series”
    - 14 position papers in the “Market Insights Series”
    - 8 position papers in the “Smart Manager Series”
    - 10 position papers in the “Smart Tool Series”
  - Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
  - We also organize training seminars or carry out projects to help your collaborators improve their operational excellence
  - This e-book includes a presentation of our training programs
- Best regards  
Jean-Michel Peny