

PROPHET

Organizing for Digital Marketing Excellence in Life Sciences

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Introduction

Life sciences companies have been moving, albeit slowly, toward a greater digital engagement with customers for some time. But practically overnight, the movement has had significant tailwinds. Already adapting to the steady decline in face-to-face sales opportunities, COVID-19 has pushed these companies even further away from decision-makers. U.S. healthcare providers say the number of meetings they've taken with sales reps has dropped 69 percent since the crisis began. And 26 percent say that decline will continue even as restrictions ease, with 6 percent predicting there will be no in-person meetings with reps at all, according to new research from Sermo, a social-media network for doctors¹.

Life sciences and other B2B healthcare organizations must prioritize their digital marketing to meet the changing demands in how their sales teams interact with customers. Too many companies disproportionately look to technology without paying attention to how to organize the marketing function to build digital capability. Companies need to think about how to adapt and enhance digital capabilities in all the different ways that can drive business outcomes.

69%

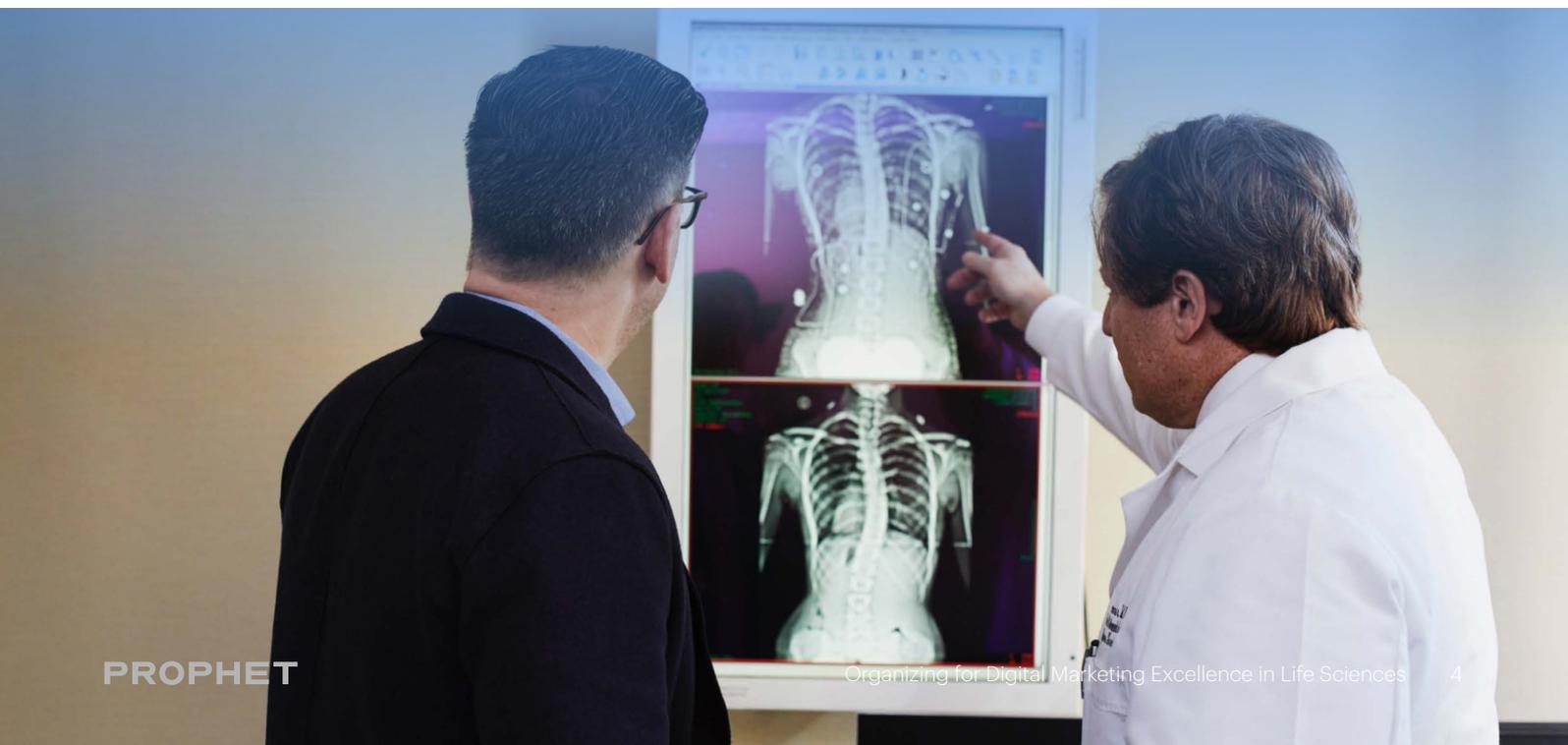
of providers noted they've seen a drop in sales meetings since the pandemic began

26%

of providers say the the number of sales meetings will continue to decline, even in the pandemic recovery phase

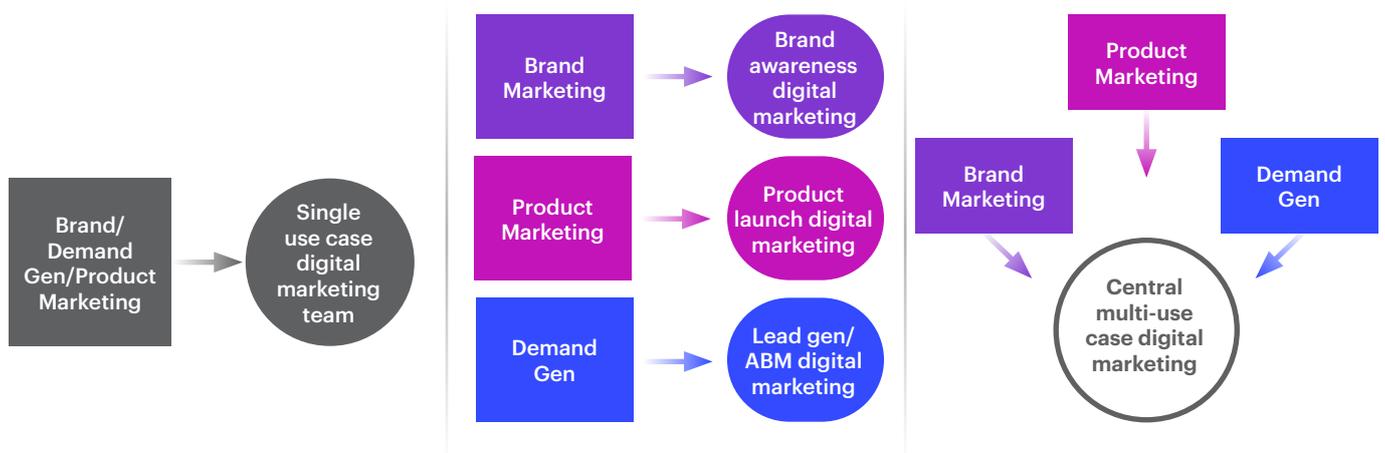
The key is to have a deliberate approach that matches the organization’s capabilities, customer set and brand portfolio. We talked to a sampling of life sciences companies with a variety of structures. Some, including many device companies, not only target specific buyers but also take more of an account-based approach to offer broader solutions. In others, particularly large pharmaceutical companies, digital-marketing strategies are highly variable, with some business units operating at a sophisticated level while other divisions lag behind.

There is no one-size-fits-all approach. And even if a model works well now, many in the industry are weighing the seismic shifts in healthcare to see if a different structure may serve better in the future. In this report, we’ve identified three different models as described in the Altimeter report, [Organizing for Digital Marketing Excellence](#), to help life sciences executives evaluate how their digital marketing is working today and how they might want to organize for the future.



Three Paths Emerge. Which Fits Best for Your Organization?

While most life sciences leaders will recognize their own company among these three archetypes, our hope is that a deeper look at each model can help determine if this is still the best organizational fit. Matching the right model to organizational goals is crucial to using digital marketing most effectively, leading to more growth and better engagement.



Single-Function Model

- Digital marketing is overseen by a single function (usually brand) and focuses primarily on a single use case for marketing at a time
- Typical for smaller companies, or companies that heavily depend on one type of marketing

Multi-Silo Model

- Each type of marketing function has its own digital team and execution, campaigns occurring in a silo (e.g. brand, product, demand gen or loyalty)
- Typical for very large companies where it makes sense for teams to focus on single use cases or products and business units
- More efficient to execute, but can be costly and inefficient when it comes to sharing data or content

Multi-Integrated Model

- Central digital marketing department works with all business units and marketing functions to deliver continuous digital marketing campaigns across all touchpoints
- Able to shift focus and optimize in a dynamic and agile way according to needs of business
- Difficult to execute, but better for delivering a unified customer experience across multiple interactions



Single-Function Model

In this approach, digital marketing primarily serves the needs of a single-use case or marketing function throughout the enterprise. Traditionally, this was managed by the brand marketing team, which used it to boost brand awareness. However, depending on the type of business or campaign, the lead function could be customer service or corporate communications.

The single-function model's defining feature is that the entire digital marketing team focuses primarily on one digital marketing use case, owned by one marketing function.

In terms of hierarchy, it might have a head of digital marketing who reports to the head of brand, product or customer marketing, who then reports to the chief marketing officer.

This model works well for small companies that may not require or be able to support separate marketing functions. It also allows for deep specialization and focus on the critical use case required to achieve business success.

Indeed, newer companies may find the word "digital" to be superfluous since they don't have the resources for specialized marketing areas. And the head of digital is likely to be the chief marketing officer themselves.

Small or medium sized companies may also have less products and fewer differentiated audiences. This means most of their digital marketing engagement tactics can be more homogenous, with less differentiation by customer type of product line. Hence, smaller companies are able to centralize most of their digital marketing functions under one team.

The Trade-Off

Digital marketing has tremendous potential for many use-cases, not just one, especially as the organization grows. As it travels the maturity curve, there's the potential to add additional marketing resources as it adds brands to achieve full potential.

Often, single-function organizations got that way by default, adopted because one marketing function was historically better at understanding digital. In the past, digital marketing tended to be owned by brand teams because it was a great tool for spreading brand awareness and advertising, and there was an incentive for brand teams to use it well. Today, digital can provide equal benefit, if used correctly, by other marketing functions.



Multi-Silo Model

In this type of organization, different marketing functions or lines of business do their own digital marketing. For example, a pharmaceutical company may have each brand team manage its own digital marketing activities. Even non-marketing functions, such as sales and service, might get their own version of a digital marketing platform.

This model allows each digital marketing team to specialize and deliver on many different marketing goals and use cases at the same time. It's an effective model for pharmaceutical companies with large brand portfolios, especially where each has different customers. It also works best for companies with a deep bench of experienced, capable digital marketers.

This model appears to be prevalent with large pharma companies. Often, these companies have multiple brands and

focus on multiple and discrete disease states. One drug is prescribed by an immunologist, another by a cardiologist, for example, with little cross over.

It also works well for certain medical device companies such as Boston Scientific, Cardinal Health, and Roche, that have a diverse portfolio of products, services and solutions. Instead of utilizing a CMO, these organizations tap into the expertise of a committee of marketing leaders who together bring product, digital, brand, sales and operational experiences to bear in driving enterprise marketing strategy.

In this type of an approach, businesses within the organization operate as semi-autonomous companies, with their own digital marketing groups working on goals specific to the business unit. This allows each business to run at a speed that's more suited to varying levels of digital maturity, increasing agility in responding to the market or new product developments. A central corporate marketing team facilitates brand marketing, best practices and shared services such as content creation and technology procurement and integration.

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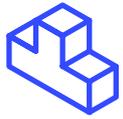
The Trade-Off:

This approach can be expensive, resource-intensive and potentially disruptive to the customer experience. When there is a common set of customers, it becomes difficult to coordinate messaging, creative elements and best moves. Additionally, each digital marketing team might choose to have its own marketing tools, potentially leading to many different instances of the same software and a vendor management headache for IT.

It's also a challenge for different teams to share customer data and insights, making it harder to scale innovation and improvement. And it can be problematic as more companies move toward selling multi-product solutions, which require an integrated approach to creating and delivering messaging to a common set of customers, and centralizing data and insights generated from their interactions.

Prioritizing use cases provides focus and greater potential to provide tangible results

Brand & Product Marketing	HCP Relationship Development	Routes to Market Enablement	Operational Marketing
Enterprise and portfolio brand-building	Always-on new relationship nurturing	Clinical trial recruitment	In use: digital apps & services
Market shaping	Account-based marketing key account management	Sales force productivity growth	In Operation: customer service
Product & solution launch/ramp	Existing HCP engagement	Payor/partner enablement	Simulated operation: VR/AR
Portfolio cross-sell	Customer experience monitoring		On location: immersive experiences



Multi-Integrated Model

This approach, the most complex, is based on an independent digital marketing team that acts as a central hub, delivering on the needs of multiple marketing functions in an agile, dynamic way. This means that at any given time, the digital marketing team may be delivering a traditional awareness campaign for one brand team, supporting a new indication launch for another brand team and driving a pre-approval disease state campaign for an emerging line of therapy.

This model requires a high level of coordination. In some companies, that might mean the digital marketing team is essentially playing traffic cop for multiple campaigns. While that structure wouldn't be ideal for some, many companies have adapted it to use the hub as a center of excellence that every team can tap for guidance and support. Typically, this approach uses a single integrated stack of marketing technology tools, a central customer-data repository and many automated processes. It's complicated, but better suited to delivering unified customer experiences. And it also forces the company to prioritize

selected campaigns over others at any given point. That can make digital marketing more focused and efficient, instead of running all of the campaigns all of the time.

In the multi-integrated setup, the head of digital marketing is an elevated position, typically on par with the heads of brand, product and customer lifecycle marketing, reporting directly to the chief marketing officer.

We found that the multi-integrated model is used most often in large device and equipment companies, particularly those with sales representatives calling on shared accounts. While the buyers might be different, there is a need to coordinate account efforts across the product portfolio and businesses to help clients unlock the most value in these relationships.

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Hillrom, a medical technology company that makes hospital beds, patient monitoring solutions and surgical equipment, is an example. As it moves to a single master-brand approach, it's looking to deliver solutions at an enterprise level. It wanted "to thoughtfully create a unified brand presence across all our digital channels," says Alan Lopez, Executive Director of Marketing for Digital, Brand and Global Demand Generation.

And while the catalyst was unification and consolidation of many brands, the multi-integrated model's advantages in cross-brand messaging are becoming clearer. With offers that span different business units, "things coalesce more as we get more solution-centric," he says.

This approach is agile, allowing companies to shift focus as needed. And customers can count on every interaction being consistent, rewarding and personalized.

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Alan Lopez
Executive Director of Marketing for Digital, Brand and Global Demand Generation, Hillrom



The Trade-Off

In its pure form, this model is less effective for pharma companies that may have a dozen different brands, all calling on different doctors. That's why companies like GlaxoSmithKline use a modified version of it, with an organization model that resembles a hub with spokes. A central digital marketing team owns the tools and allows different business units, brands and regions to create digital experiences that best serve their specific audiences.

GSK's digital marketing team has four parts: Analytics and experimentation; platforms and operations; innovation, and strategic partnerships. It works to design customer experiences and digital engagement with all of GSK's brands, each with varying digital maturities. "It may be obvious, but we partner most

with brands that are more digitally sophisticated. We can move so much faster when brands are pulling us into their plans versus when we have to 'sell digital' to them," says Andy Kennemer, Vice President of Customer Experience and Digital Innovation.

But this creates dilemmas, too. "We still have data in silos that is not well connected enough to have a complete view of every customer interaction. And too often, our data strategies are tech-led, rather than being guided by analytics or strategy."

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Vice President of Customer Experience
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Key Questions for Evaluating the Digital Marketing Organization

Many companies, even if they have the best-fitting model for the here and now, should be evaluating if a different structure for the future makes sense. It's a highly complex consideration, requiring detailed analysis. But here are a list of questions to guide the conversation:

What is already centralized?

Companies with strong corporate marketing programs, a master brand, many shared audiences and high levels of marketing centralization already in place may do best with a multi-integrated model. But those with many different business units, brand portfolios and diverse audiences are likely to do better sticking with the multi-silo model.

Who will create digital marketing strategy, if it differs from overall marketing?

In an ideal world, companies would be able to choose the most effective model, and add staff accordingly. But in reality, it's important to take the depth of the current marketing bench into account, and assess the digital literacy of

marketing teams. If business units, brands and geographies are less familiar with digital marketing, it makes sense to have a central group. But if brands are more sophisticated, it may be more efficient to have a multi-silo or hybrid model.

Who are the audiences?

Most life sciences companies are reaching out to large ecosystems, which may include prescribers, patients, payers and procurement departments. They may be aiming for single-buyer targets, an account-based approach—or both. Once companies have prioritized business and consumer audiences and the strategies to engage them, the right structure becomes clearer. For example, in a hybrid model, the hub may focus on B2C and the spokes on B2B, all while sharing data and platforms. Conversely, if it's a mostly uniform audience, a centralized model may be best.

It's wise to analyze customer overlap now, and what it may be in the future. A pharmaceutical company may sell dermatology and cardiovascular

solutions, targeting two distinct provider groups with little to no cross-over. But it may also offer a portfolio of cancer treatments, likely reaching out to a common universe of oncologists.

What channels can really be owned?

Again, in an ideal world, digital marketing has ownership—or at least access—to all channels. But in reality, other departments, like IT, communications or service, may have control. Trying to consolidate them might start a costly battle against legacy beliefs. It may be more practical to organize around channels that are owned by marketing, and partnering with those that aren't.

What data is crucial for each use case?

Digital marketing strategy and goals dictate data strategy. Brand awareness, demand generation, customer experience or customer re-engagement all require different data, and those needs should determine organizational setup. Customer experience, for instance, is typically better served by a centralized model, but brand awareness might be best served by a multi-silo model, to achieve scale and customization in messaging.

How will marketing work with sales?

Digital marketing can offer new capabilities that complement sales teams by giving them data, digital content and the right channels to reach their target audiences. “Imagine the sales rep to be the orchestrator of a digital experience,” says Alex Day, Head of Strategy, Digital and Commercial Operations, Europe at AstraZeneca. “While face-to-face meetings are still important, they now have a toolkit of emails, microsites, webinars and social media, which they can pull together to give the customer the best experience.”

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Day adds, “It’s not taking away, but it’s changing the role of the sales rep.”

Defining the way that marketing and sales work together is a key factor in determining an organizational model. Digital marketing that is too siloed under a brand or communications team may have a harder time integrating with sales than a centralized digital marketing team, that is able to provide services across the board and treats sales like another business unit or geography that would benefit from its technology and practices.

How will teams manage content/messaging compliance?

Centralizing content may be the safer option, but it can create additional bottlenecks in approvals and collaboration as local market

teams often need to their own MLR review, not to mention it makes it harder to personalize content for different audiences. As teams become more digitally mature, and new software helps make compliance and collaboration more efficient, teams may want to consider the level of centralization for their content creation, and begin assigning certain processes beyond the central group.

An organization’s orientation to risk is also a factor. “Most pharma companies, especially large ones, are extremely risk averse,” says Adam Woodrow, President and Chief Commercial Officer at Paratek Pharmaceuticals. “Usually we have to put a command-and-control module in place to try to keep all content and messaging under one group and not have it too disseminated.”



What Does This All Mean?

Re-organizing for digital marketing is a challenging exercise and companies should have a clear mandate for change before embarking on such a journey. Answering these questions is the first step towards gaining clarity for settling on the best organizational approach.

When organizations are not clear where to start or how to focus these efforts, Prophet can help conduct an assessment of the current model, develop organization transformation strategies or implement change management mandates that create build digital marketing excellence and fuel business growth.

Contact Prophet Today



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