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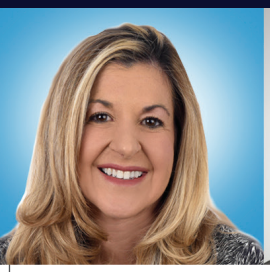
indegene DIGITAL SUMMIT VIRTUAL 2020

"PHARMA AND HEALTHCARE"

Digital Innovation: Staying Ahead of the Curve

10-MIN SUMMARY



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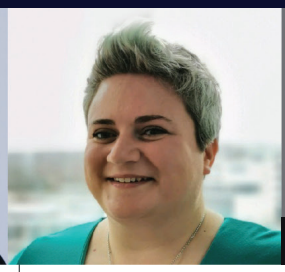

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Pharma has been innovating in R&D for years, but it needs to expand into new arenas to differentiate itself and remain competitive. At present, there is a diversity of competition, not just from big pharma or biotech but also from technology companies. Digital disruption is forcing larger companies to be nimble and use data to advance thinking.

Innovation must go beyond the molecule and focus on customer experience. The industry must ask itself how it will get medicines and care to increasingly tech-savvy patients, on their own terms and in ways that are easy and engaging for them. What layers can be added on top of what the medicine does to make a difference? Can wearables or monitoring offer solutions? However, innovation should not start with a solution looking for a problem, but with finding solutions to the existing business problems.

Pharma cannot compete with the technology companies; those capabilities would take years and a lot of money to build in-house. Therefore, collaboration is the answer. Leveraging the expertise of smaller or new, niche areas of business will make the industry stronger. A "phased experimentation" approach, like that which pharma applies in its R&D stages, needs be expanded to other areas of the value chain, rather than going all-in with the first shiny object it sees.

> *"There has to be recognition among leaders to agree how to run or change the business. They have the accountability to drive innovations through."*
>
> **- Jeff French**

First and foremost, innovation should enable the corporate strategy, cross-functionally. It has to be embedded in the culture and incentives across the company. On top of this, good leadership is required, both at the strategic level, to plot the future, and down to the process innovation level. Leveraging data not only at the strategic level but also at the process level is key to fuel innovation. Organizations should strive to strike a balance between federating innovation across the

organization while avoiding fragmentation.

> *"Beyond great products, people expect a great experience. Start with great user design, engage with how the customers are working with you and build on that."*
>
> **- Mike Reilly**

When embedding digital innovation, it is critical to start the innovation journey from the customer, not from the inside. Everyone is a customer and a consumer. The goal must be to delight the customer. Beyond great products, people expect a great experience. The process must start with great user design and an understanding of how the customers are interacting with the product and build on that. Previously, pharma was a step away from really understanding the patient. Now, vast data is available, but it is hard to synthesize it into useful information without personal bias. The customer experience must be truly understood objectively, through data and observation, to avoid guesswork. Field observations can be valuable to see how customers are using the products and then personalize them.

There are many tools available to gather data and map dynamic customer journeys. Tools like social listening, big data, and claims data give a longitudinal and personalized view of the customer, how they are interacting with medicines, their disease, their own lifestyle, and their ecosystem. These data can inform ways for pharma to innovate around their needs and make their lives better and easier. However, pharma should resist creating new "uni-tasking" tools, which are not seamless to customers' lives and end up creating frictions in their experiences, and create solutions which blend into their lives. Everything that the companies build has to fit into the customers' world, rather than the other way around.

Data and analytics have a proven role to play in enabling innovation. The potential of the data held across the organization can be unlocked by considering how they can be used to benefit patients, as well as utilizing them across the full spectrum of the value chain, from R&D to supply chain. Data generated from different functions of the business can be "commoditized," so that it can be utilized by other functions across the value chain. Data in a silo, generated to answer one question, has finite usage, but cataloging the data and having the federated platform to pull it from different parts of the business demonstrate its full value. A data governance strategy may not be exciting, but the faster high-quality data can be accessed and used, the quicker innovation can be operationalized. However, data by itself is not sufficient to develop fit-for-purpose solutions; data needs to be transformed into actual knowledge and supported by embedded capabilities close to the business.

> *"When it comes to digital, we need to learn to think more in a phased approach, rather than go all-in with the first shiny object we see."*
>
> **- Shwen Gwee**

Almost every big tech company foraying into healthcare has health teams and is hiring HCPs. Those tech companies that have life science arms can be seen as a bit of a threat to pharma,

especially in the R&D space. On the other hand, there is the opportunity to partner with them and share learnings. Pharma can benefit from the big tech companies' customer-experience-first and data-heavy mentality. In return, life sciences bring deep science experience that can be merged with tech companies' strengths to form new ways of engaging and helping patients. In addition, tech businesses can lend their voices to the discussion with regulators on advancing digital innovation and the use of data. Business conversations are shifting toward a common purpose, with real social impact potential. There are joint opportunities to share for the benefit of customers.

A company's innovative culture should ensure that staff feel empowered and that they have a role to play. Failing fast and risk-taking should be seen as a positive, not a negative. With buy-in from staff, ideas can be cross-pollinated, and good ones can be applied to different parts of the company, with the benefit of multiple sponsorships and economies of scope. The leadership must also have accountability for change in the business and driving innovations through. Address each problem with a diversity of perspectives. "Innovation through collaboration" often gets overlooked, with leaders innovating within their own purviews but not considering the impact of their own innovation on the business as a whole.

Innovation awards are a good way to incentivize employees and foster innovation. Not only should they be incentivized for meeting their innovation-related goals and KPIs but also for sharing their learnings, even from failures. Innovation is more of an art than a science. If there is too much emphasis on systems and processes, it is stifled. Business leaders need to unlock the passion and allow it to thrive. However, a few frameworks and structures are necessary to ensure innovation is part of employees' roles, rather than something outside of their roles.

> *"There is a diversity of competition, not just from the big pharma or biotech we are used to, but tech companies are adding extra pressure on top."*
>
> **- Caoimhe Vallely-Gilroy**

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Indegene (http://www.indegene.com) enables global healthcare organizations address complex challenges and drive better health and business outcomes by seamlessly integrating analytics, technology, operations, and medical expertise. Indegene is at the forefront of driving innovation by combining medical expertise with contemporary digital and artificial intelligence technologies, resulting in IP, patents, and transformational solutions for the life sciences industry.

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