

An Evolving Landscape in Life Sciences: Why Pharma is Increasingly Turning to Commercial Outsourcing

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The pharmaceutical industry is undergoing a significant transformation in how companies approach their commercial operations. Over the next five years, we expect to see large pharma outsourcing more than 50 percent of their commercial activities. This shift is driven by several key factors that are reshaping the industry landscape.



Strategic restructuring and prioritization

Many companies are conducting comprehensive reviews and restructuring their operations to reflect evolving priorities in various healthcare environments. These adjustments are also reflective of changes in accessibility of healthcare providers. Companies are reevaluating their portfolios, recognizing that launching new products in niche disease categories may require different commercial approaches compared to established, broad-market medications.



Agility and flexibility in a changing market

The pharmaceutical market demands unprecedented agility. Outsourcing partners offer the flexibility to scale operations up or down quickly, allowing companies to adapt to market changes without the constraints of internal restructuring. This agility is particularly valuable in managing product life cycles, from launch through maturity and into late-stage optimization.



Access to specialized expertise and innovation

As therapies become more complex and targeted, the need for specialized knowledge in sales and marketing has grown exponentially. An increasing need for specialized field roles, such as those touching medical and market access, means a large and diverse talent pool is mission critical. Outsourcing partners often bring teams of experts across various therapeutic areas and market segments to provide depth of expertise that would be challenging and costly for individual pharma companies to maintain in-house. The domain knowledge they provide spans beyond sales, including experience in emerging fields and innovative solutions, such as AI-driven technologies and omnichannel marketing approaches.



Cost management and risk mitigation

In an industry facing increasing pressure to control costs, outsourcing can offer significant financial benefits. It allows companies to convert fixed costs into variable ones, enabling more predictable budgeting and reduced financial risk. Additionally, outsourcing can mitigate risks associated with market entry and expansion by leveraging partnerships with established networks and infrastructure.



Meeting objectives at any size

The outsourcing trend manifests differently across the pharmaceutical landscape. Smaller companies, particularly emerging biotechnology firms, often outsource a wide range of functions due to the limitations of their internal infrastructure. Midsize firms may outsource to access the specialized expertise or solutions they lack internally. Large pharma companies, traditionally more tactical in their approach, are increasingly viewing outsourcing as a way to power new launches and enhance the lifecycle of established brands, as well as test new models, approaches and technologies for broader adoption.



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Looking ahead

As the industry continues to evolve, the trend toward outsourcing commercial functions is likely to grow. However, the extent and nature of outsourcing will vary based on company size, product portfolio and strategic objectives. While some functions, like technology and back-office operations, may see outsourcing levels exceed 50%, core commercial activities like sales teams are likely to stabilize around this mark.

The decision to outsource commercial functions is not one-size-fits-all, but for many pharmaceutical companies, it's proving to be a strategic advantage in an increasingly complex and competitive landscape. By leveraging the expertise, flexibility and efficiency of outsourcing partners, these companies are positioning themselves to navigate the challenges and opportunities of the future more effectively.