



Growth Through Commercial

Re-imagine commercial growth with outcomes in mind

IQVIA COMMERCIAL SERVICES

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Executive summary

The pharma industry continues on a track to growth. Yet the future will be very different from the past and requires pharma to reimagine its role in value creation



What is pharma commercial?

To achieve brand and franchise leadership in today's environment a range of capabilities must be considered that may not traditionally be considered part of "commercial" but which are fundamental in the commercial success of innovative products. For the purposes of this presentation, we apply the broadest possible definition of commercial and factor in the interactions between core commercial and access, medical and other functions.

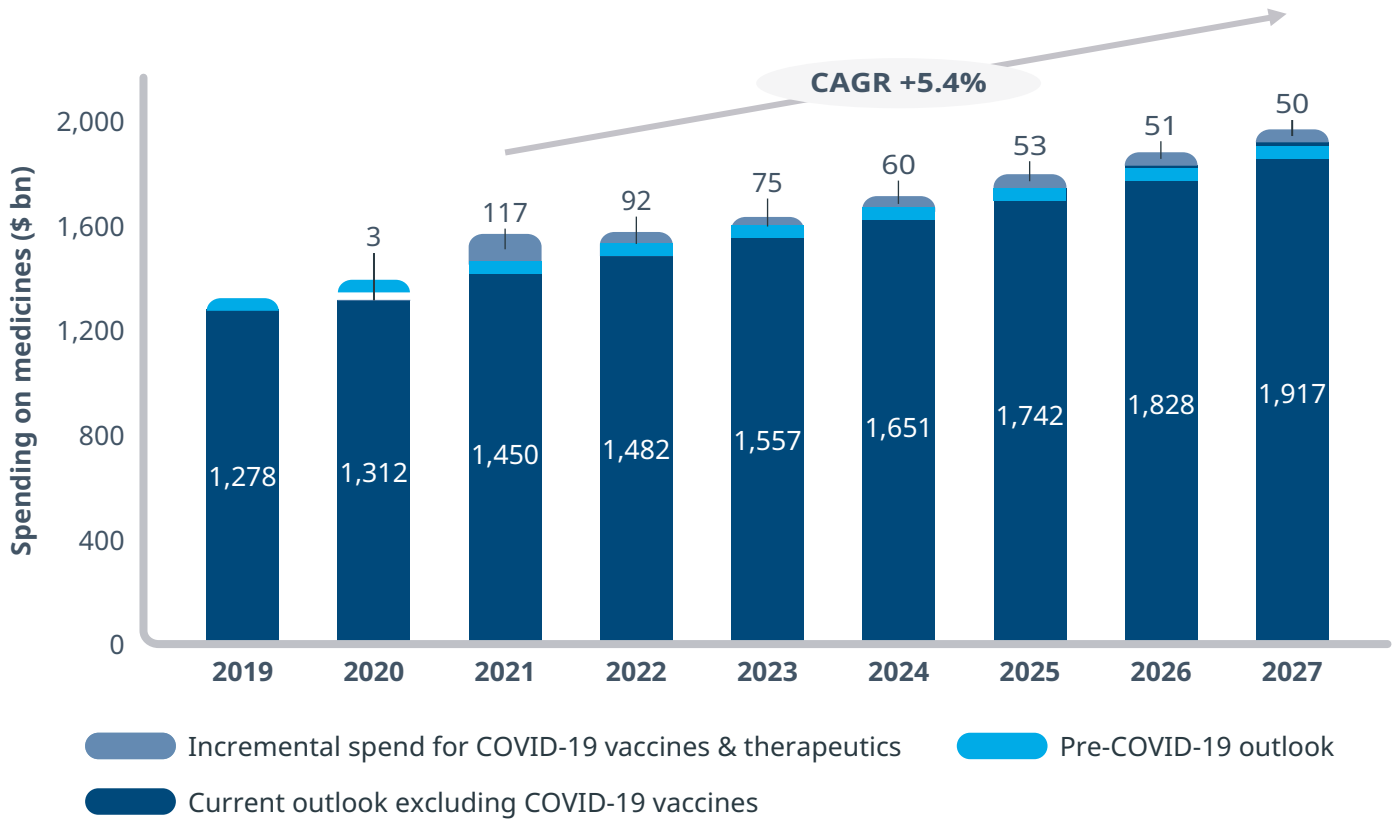


What drives growth?

Global pharma market continues to grow despite impact by COVID-19

Global pharma market outlook – COVID-19 spend displacements

COVID-19 impact on historic and projected global medicine spending (2019-2027, \$ bn)



- Continued pharma market growth, but in the context of covid fallout: financially and operationally constrained health systems
- Market and opportunity fragmentation as innovation targets smaller sub-populations and makes opportunity capture more challenging vs. past
- What it means to have the right product and (commercial) capabilities to participate in the growth opportunity has evolved

Source: IQVIA Institute Trends Report: The Global Use of Medicines 2023: Outlook to 2027, 2023

Oncology will continue to drive growth in the next 5 years, other top TA growth expected to slow

Innovation wave characteristics

Oncology drives the market growth

2027 Top-6 TAs by sales value, value growth
Bubble size represents sales



The market continues to be driven by oncology delivering above average growth. Immunology growth rate will decrease significantly due to the launch of biosimilars.

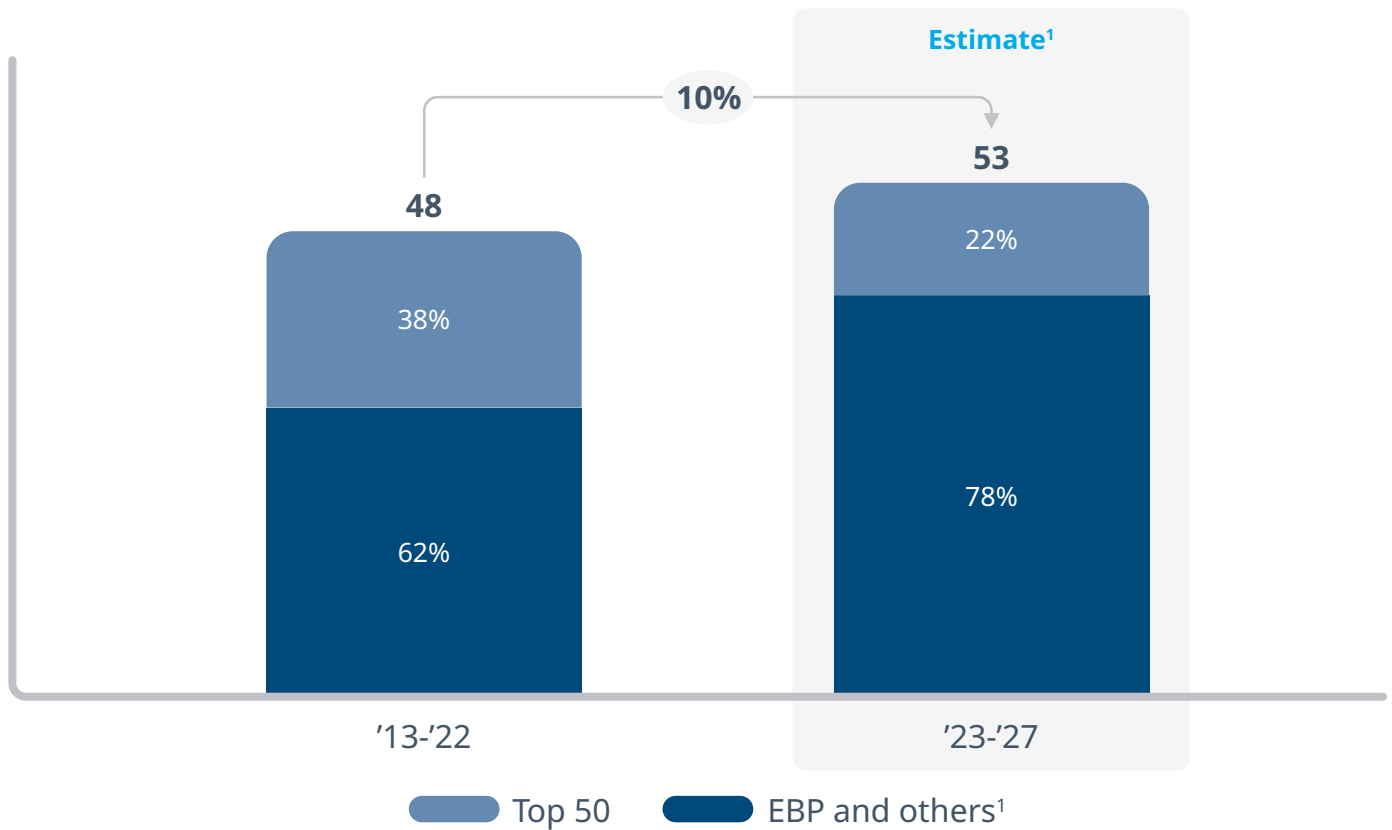
Source: IQVIA Institute Trends Report: The Global Use of Medicines 2023: Outlook to 2027, 2023; IQVIA pipeline review, CVD = Cardiovascular CNS = Central Nervous System

Growth will be driven by innovation, with the number of NAS launches expected to increase

Innovation wave characteristics

More NAS launches compared to past periods

**US New Active Substances (NAS)
annual average launches**



The pace of innovation is expected to be higher than in the last decade and mostly delivered by R&D from smaller Emerging Biopharma players

1) Avg. launches projected at 50-55/year (250-275 launches within 5 years), split between top 50 and others (mostly EBP, but also some mid-tier regional players) not accounting for potential M&A, split calculated based on NAS launches history 2016-21 and current phase 3 clinical trials pipeline, Source: IQVIA Institute Trends Report: [The Global Use of Medicines 2023: Outlook to 2027, 2023](#); [IQVIA Institute Trends Report: Emerging Biopharma's Contribution to Innovation, 2019](#); [IQVIA Pipeline Intelligence](#), IQVIA pipeline review EBP = emerging biopharma NAS = new active substances

Fundamentally new science and technologies are backing emerging innovation wave

Innovation wave characteristics

Fundamental new science innovation

Recent and expected significant innovation areas¹ in the next 5-years (2023-'27)

Disease-modifying therapies for Alzheimer's disease

Psychoplastogens for MDD

BiTEs (e.g. for multiple myeloma)

mRNA vaccines
(e.g. for glioblastoma)

CRISPR-gene editing
(e.g. for sickle cell disease)

Stem cells for CNS disorders
(e.g. PD and ALS)

Gene therapy (e.g. for haemophilia)

Remyelination in multiple sclerosis

Innovation in the '20s will be about platforms not individual chemical or biologic products

1) Based on anticipated outcomes for patients, healthcare systems and society,

Source: [IQVIA Whitepapers: Evidence-based insights for healthcare](#), [IQVIA Institute Trends Report: Emerging Biopharma's Contribution to Innovation, 2019](#); IQVIA pipeline review CNS = Central Nervous System PD = Parkinson Disease ALS = Amyotrophic lateral sclerosis MDD= Major Depressive Disorder CRISPR = Clustered Regularly Interspaced Short Palindromic Repeat BiTEs = Bi-specific T-cell Engagers

The value capture challenges

Continued growth is not guaranteed, science-led innovation and commercial execution are no longer a standalone winning formula

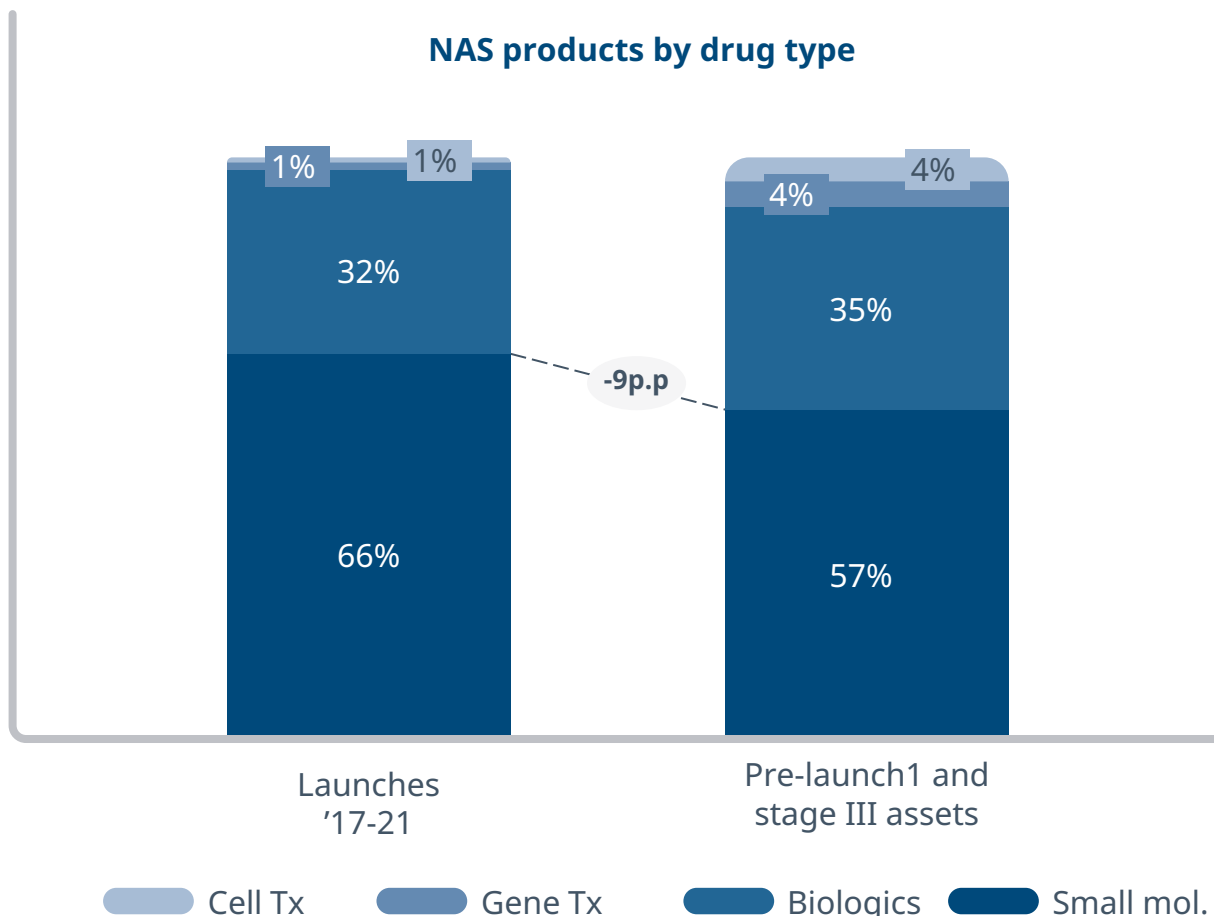
Value capture challenges



NAS pipeline is becoming more focused on innovative therapies

New portfolios – key challenges

NAS pipeline evolution






Assets in development demonstrate a continuation of an evolution in drug types, layering on of more complex therapies such as Cell & Gene. In Oncology 40% of the pipeline is targeted to rare cancers, with a quarter of the effort based on next-generation biotherapeutics (e.g., Cell & Gene RNA therapies)

1) Registered and assets awaiting registration
 Source: IQVIA Pharma Intelligence, IQVIA Analysis

Emerging new therapies require more complex commercial models and better evidence packages

New portfolios – key challenges

New therapy types

	<2000	2000-2020	>2020
	<i>Chemicals</i> 	<i>Biologics</i> 	<i>Cell/Gene therapy</i> 
Endpoints generation	Traditional RCT		Novel RCT/ RWE/ Genomics/ Biomarkers
SoC change	Slow		Fast
Innovation rate	Slow, me-toos		New classes/ combinations
NNT1	200+		~1
Price	Low		High
Market leadership	10-15 years		5 years
Model/ Target pop	Volume, Large pop		Outcome based, Personalised

New therapies are radically different and accelerate SoC change, thus require novel evidence and new commercial models

1) Number Needed to Treat, i.e. the number of patients you need to treat to prevent one additional bad outcome
 Source: [IQVIA Institute Trend Report: Global Trends in R&D 2022, 2022](#); [IQVIA Institute Trends Report: The Global Use of Medicines 2023: Outlook to 2027, 2023](#); [IQVIA Institute Trend Report: Global Oncology Trends 2022, 2022](#)

Major shifts in the launch environment are expected as launch complexity increases

New portfolios – key challenges

More complex launches

	Past 2010	Future 2020+
Patient journey	Few HCPs involved (usually 1-2)	Increasing # of HCPs (even >7)
Practice of care	Individual	Team based , anchored in clinical decision support tools spec. to a single institution or pop.
Opportunity fragmentation	RCTs mean # endpoints and eligibility criteria	+18-25% increase ('10 vs.'20)
Evidence requirements	RCT data , episodic, event-related	Integrated, patient relevant evidence: RCT, RWE, patient generated; cont. over life cycle
Stakeholders	Simple/ one at time : Regulator-Payer-HCP	Complex and inter-dependent payer-led network
Go-to-market	1:1 detail, rep-led; SoV focus	Few-to-many / Many-to-many ; diverse range of customer-facing roles

Launch environment will become more complex, requiring step-change in market-sensing and precision insight

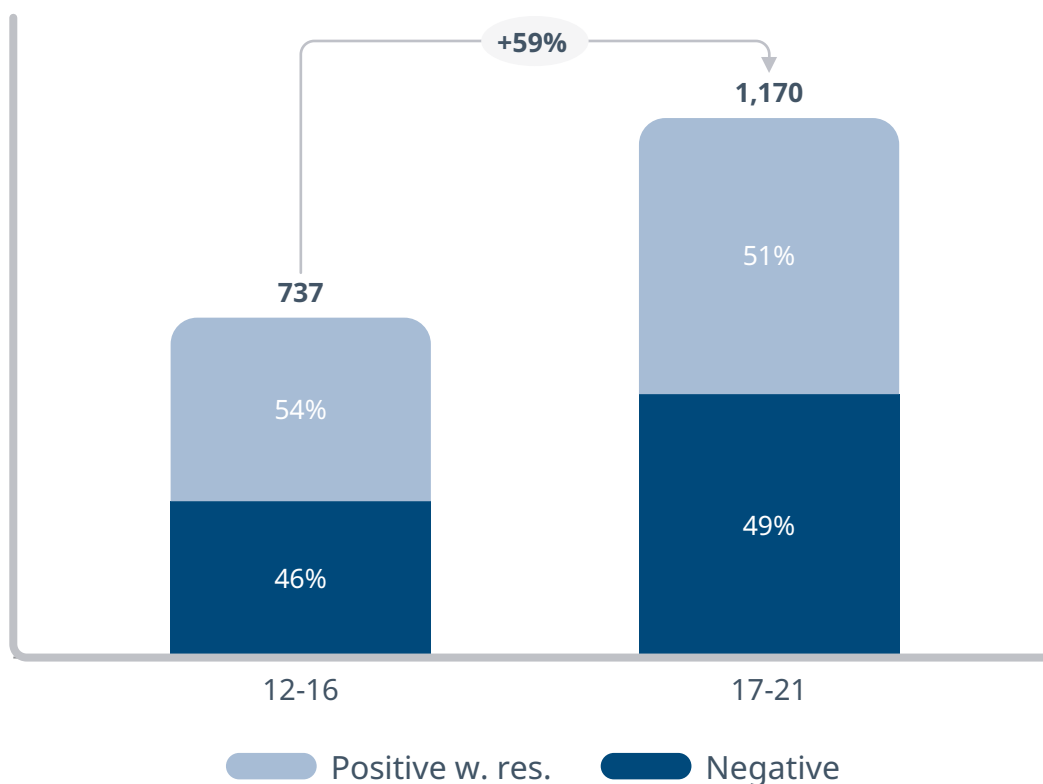
Source: IQVIA Institute Trend Report: Global Trends in R&D 2022, 2022; IQVIA Institute Trends Report: The Global Use of Medicines 2023: Outlook to 2027, 2023; IQVIA Institute Trend Report: Global Oncology Trends 2022, 2022

New innovation wave faces greater value scrutiny from payers and other stakeholders

New economics – key challenges

Greater value scrutiny

DE, FR, UK HTA recommendations



60 oncology products excluded from US formularies as per 2021. US top payers¹ exert unseen control via formulary exclusion since 2017

Greater value scrutiny at the same time when pharma loses control of its value narrative, e.g., growing number of HTA questions, formulary exclusions, FDA requirements etc.

1) US top payers are leading national commercial insurers: Aetna, CVS Caremark, Cigna, Express Scripts (the PBM subsidiary of Cigna), OptumRx (the PBM subsidiary of UnitedHealthcare), and Prime Therapeutics

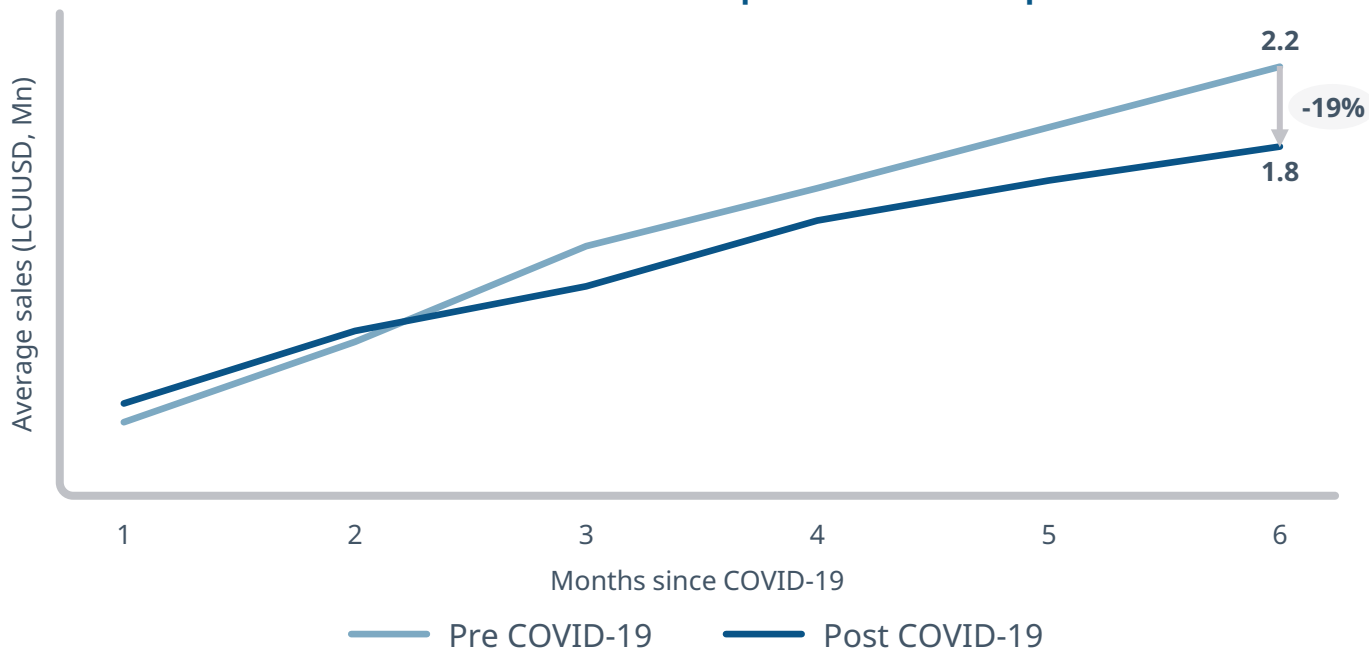
Source: [IQVIA Institute Trend Report: Global Oncology Trends 2022, 2022](#); [IQVIA Whitepaper: Controlling Cancer Care: The Emergence of Formulary Exclusions in Oncology, 2021](#); [IQVIA HTA Accelerator](#) [IQVIA Pharma Intelligence](#); [IQVIA SMART](#); [IQVIA MIDAS](#); Evaluate Pharma; IQVIA Analysis

COVID-19 decreased the effectiveness of promotional activities leading to lower adoption

New economics – key challenges

COVID-19 induced adoption challenges

Performance of innovative launches pre-COVID versus post-COVID³



c.20% lower ann. avg. new brands/NAS expected sales
'Jan 20-Sep 21 vs 'Mar 15- Sep 19 for dev. markets

1) Average sales for NAS launches across US,EU4+UK, Japan & China, *Includes NAS launches only, except for Wegovy which is included even though semaglutide is not NAS because it is a major US launch in a new therapy area; Pre-pandemic launches: Mar-15 to Sep-19; Excludes Hep C products and COVID-19 Vaccines and Treatments; N numbers: Pre-COVID = 1017, H1 2020 = 131; H2 2020= 109; H1 2021 = 140, Q3 2021 = 71; Rx only
2) e.g., In US 30mIn Oncology screenings were disrupted since Mar'20

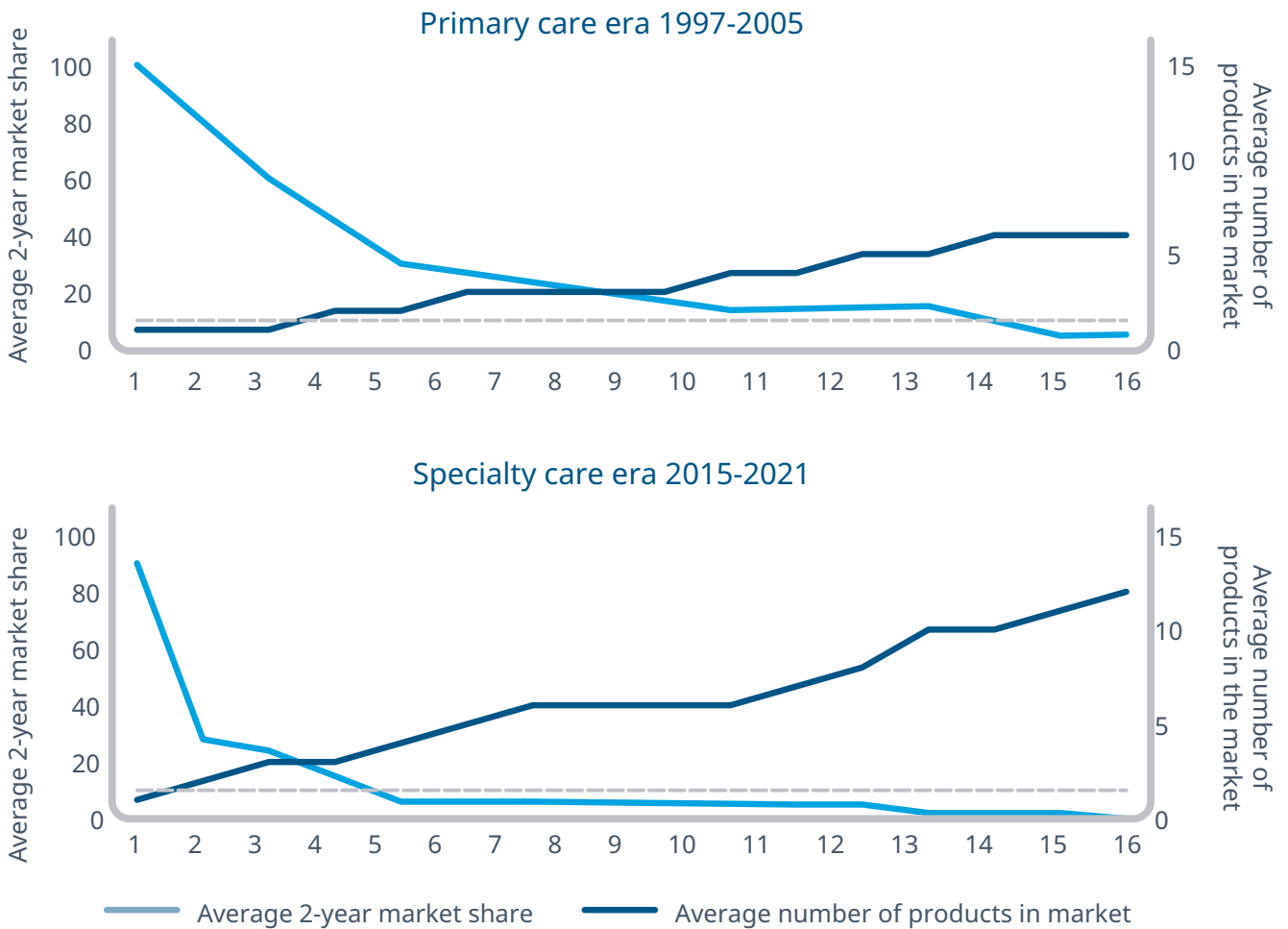
Source: [IQVIA Whitepaper: Overcoming Pharma's Post-Pandemic Launch Performance Problem, 2022](#); [IQVIA SMART](#); [IQVIA MIDAS](#)

With increased innovation, competition is fiercer, decreasing the time to recoup asset investments

New economics – key challenges

Declining drug tenure

Increasing competition reducing Market Share two years post-launch



Greater dynamism of pharma markets makes it harder for products to maintain leading positions within their TAs. Innovation intensification leads to more competition and diversity in therapy types.

Source: IQVIA Whitepaper: [Overcoming Pharma's Post-Pandemic Launch Performance Problem, 2022](#); Notes: Therapy classes are the top therapy classes in each era, globally. Primary care era Therapy areas included: Statins: C10A1 PPI: A2B2SSRI antidepressants: N6A4 Erythropoietin's B3C0 Angiotensin II antagonists C9C0. Specialty care era Therapy areas included: HER2 MAb's: L1G3 HIV Anti-virals: J5C9 Hepatitis C antivirals: J5D3 Interleukin inhibitors: L4C0PD-1/L1 MAb's: L1G5.

With HC system more focused on patient outcomes and patient seeking omnichannel healthcare new care pathways and engagement models emerge

New experiences – key challenges

Care pathways driven by patient-relevant outcomes

Health data proliferation and care system integration grant payer/providers outcomes visibility. Their ability to inform care pathways and treatments independently requires pharma to forward integrate

1

- **Cross-sectoral healthcare clusters**

Healthcare budget devolution resulted in Greater Manchester investing in building patient-oriented ecosystem launching various initiatives e.g. COPD care pathways digitalization and regional integration

- **Population Health solutions**

NVS US worked with >200 US health care providers to identify at risk patients that may benefit from Leqvio. Preventive treatment not factored in existing care pathways

Patient centric omnichannel healthcare

New e-health models and solutions accelerate, copying the convenience and services focus of consumer industries, while patient generated data grow in importance

2

- **Subscription**

Personalized algorithm supported care as a monthly service (e.g., in dermatology)

- **E-pharmacies**

Growing from mail-order OTC into broader healthcare incl. eRX with a vision of 'single click' health management cooperating with PharmaCos and insurers (e.g., Zur Rose)

- **Integrated solutions**

Primary care platform of telehealth, e-pharmacy and in-home care with focus on patient empowerment (e.g., Ro Health)

Source: [Respiratoryfutures.org.uk](https://respiratoryfutures.org.uk), healthinnovationmanchester.com, [Greater Manchester Combined Authority](https://greater-manchester.com), [NHS Accelerated Access Collaborative](https://nhs.uk), formelskin.de, zurrose.de, ro.co, doximity.com, rxvantage.com, IQVIA desk research

HCPs' expectations also change with new HCP engagement models already in the market

New experiences – key challenges

Omnichannel HCP engagement

HCPs information consumption preferences are akin to the society at large, where on-demand, omnichannel, bespoke and peer-to-peer enabled engagement is a norm

3

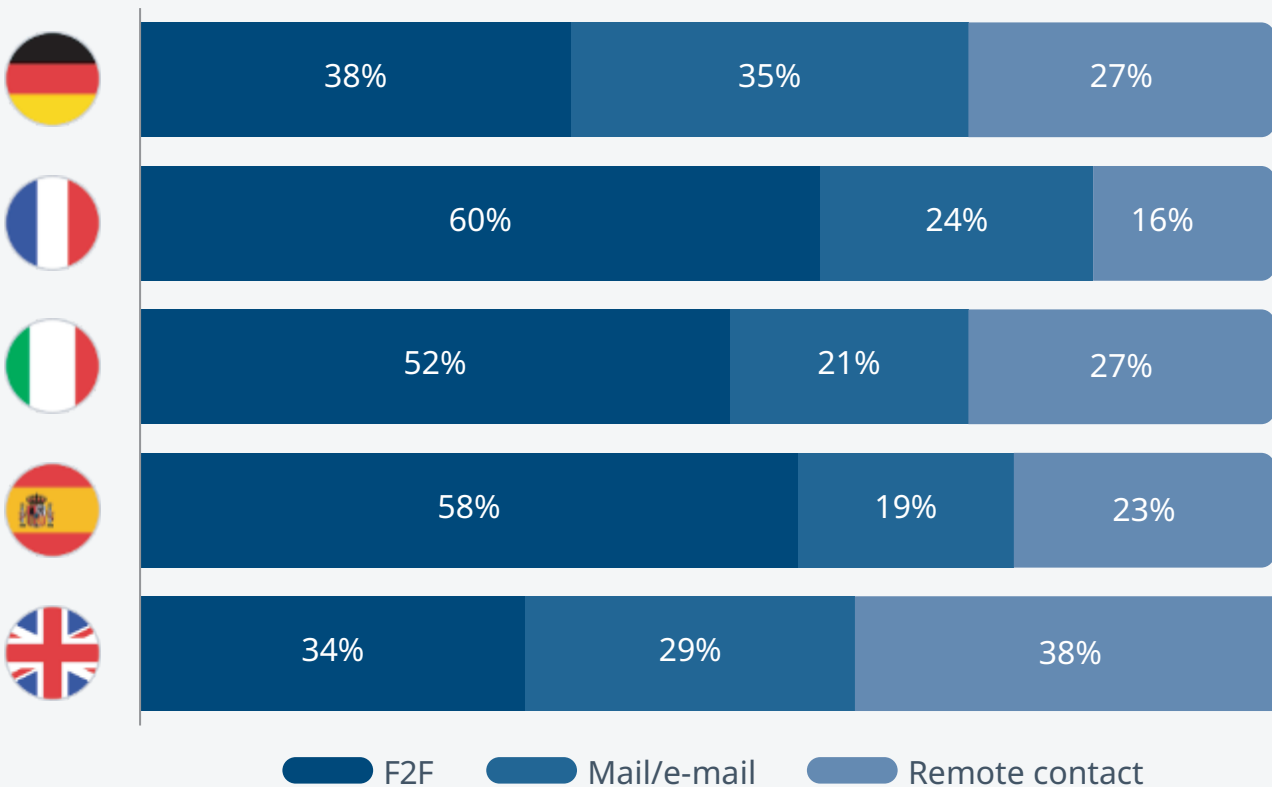
- **P2P platform**

Doximity - 'LinkedIn for doctors' providing HCPs with a platform to connect

- **HCP engagement platform**

RxVantage - Platform allowing omnichannel interactions between pharma and HCPs

- **EU-5 average HCP channel mix preferences Nov-21**



1) Based on n=1025 of Cardiologists, Neurologists, Rheumatologists, Dermatologists, Ophthalmologists and GPs Q: What percentage of content from pharma companies would you like to be delivered through each of the following channels, going forward? Source: [doximity.com](https://www.doximity.com), [rxvantage.com](https://www.rxvantage.com), IQVIA desk research, IQVIA syndicated studies

Reimagine Commercial Growth

The role of commercial will need to evolve from a promotional to a cooperative business model

Case for commercial in the new environment



1) Oxford dictionary definition: involving mutual assistance in working towards a common goal

Pharma Commercial to lead with experience and evidence, moving beyond execution to facilitate creation of shared value

Vision of pharma commercial

LEADERSHIP FUNDAMENTALS



Hypercompetitive

Success drivers: Customer experience, speed of execution, RWE and medical engagement

Go-to-market continuum

Complex/underdeveloped

Add. success drivers: Market shaping, health system play and partnering, advocacy

WIN THEMES FOR VALUE AND IMPACT

- 01** Plan and invest for the **asset critical path**
- 02** **Re-think the customer contract:** Unlock shared value with novel partnerships
- 03** **Evolve Go-to-market model:** New design principles for a shifting market reality
- 04** **Future-proof commercial, medical, and access capabilities³**
- 05** **Innovate the enterprise launch engine: Manage complexity of parallel launches**
- 06** Step-change in **speed and value with new commercial tech, analytics & applied AI**

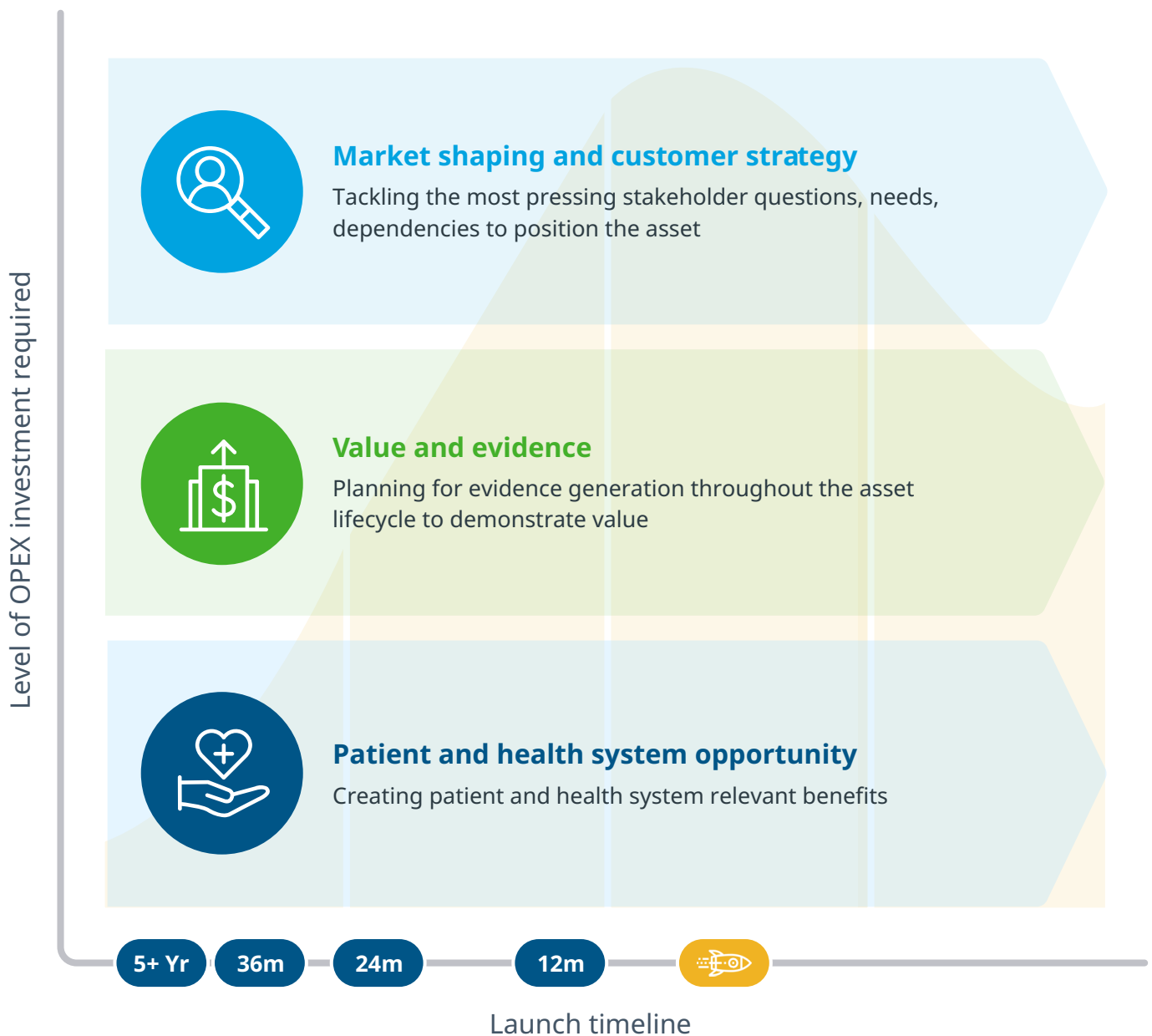
1) Experience in the broadest definition of term including health system partnering experience, HCP, and patient experience

2) Evidence in the broadest definition of the term including RWE for commercial differentiation

3) Digital commercial, Commercial analytics, MSL, patient support, care pathway enablement and optimization, economic value communication, federated network creation

Chart the critical path for key assets

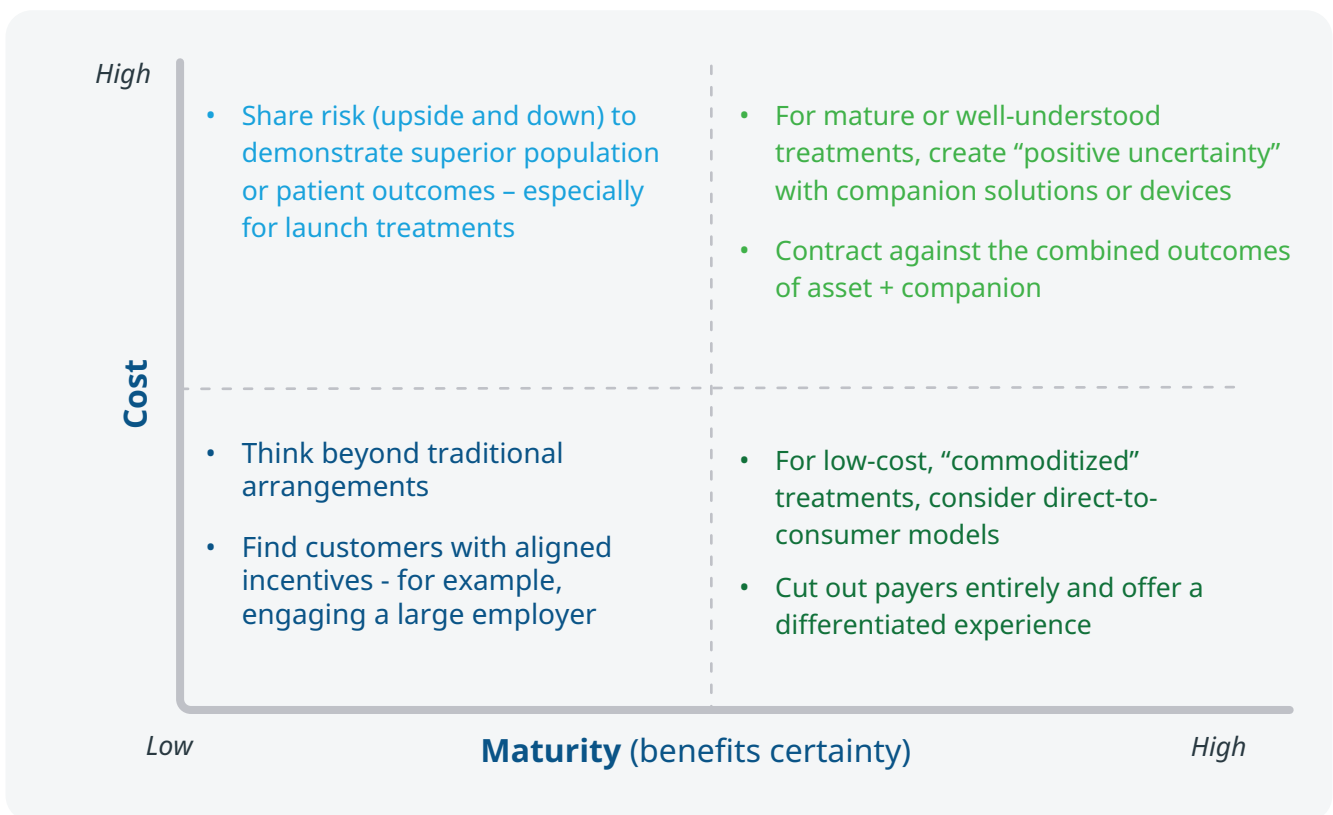
- When it comes to mapping the critical path for key assets there is no one size fits all – no launch framework or overarching playbook will lay out the path to success
- The asset strategy should step on the strongest possible foundation of data and insight to answer the simple question if the asset will be able to offer and demonstrate patient, payor, and health system relevant benefits over SoC
- Critical path analysis requires an integrated analysis of 3 flows: (i) care pathway; (ii) funding flow; and (iii) patient journey. Bottlenecks and intervention will then inform the nature and size of the opportunity and critical actions.¹



1) IQVIA Whitepaper: Re-defining OPEX modelling for a competitive future, 2022

Re-think the customer contract

- Pharma companies should seek targeted opportunities to pursue innovative contracting where it matters most – in cases where a treatment will be access-constrained – and where there is meaningful shared value that can be unlocked for manufacturers, stakeholders across the value chain, and patients
- In those instances, half measures will not be enough - pharma companies must invest early in the lifecycle and fully in development and deployment of the new model. The model can't be in addition to the overall brand strategy, it must be a core part of it
- “Brute force” solutions – flooding the field with promotion or big investments in bridging or affordability programs – will continue to see declining returns



Additional considerations

- Create consistency and predictability in budget impact for Payers – especially for ultra-high-cost therapies for rare diseases – via instalment-based payments, subscription models
- Include patients in the share of value by creating direct benefits for adherence (e.g., increased co-pay value) or reduce financial risk through reimbursement of out-of-pocket costs for non-responders

Evolve the Go-to-market model

- The one-size fits all national promotional model based on deciles, mirrored territories etc. is rapidly becoming obsolete, with customer needs shifting at different pace and scope e.g., with emergence of IDNs in the US, subnational ICSs in the UK, large health insurers in Switzerland. Launch models for specialty products and physician administered treatments need to be re-invented to accommodate for these shifts. As the care setting becomes omnichannel, the product detail gives way to HCPs pulling and sharing data, insight, and microservices in an interoperable environment
- This is an environment that pharma companies increasingly look to influence with the aim to 'perfect' health systems to accommodate novel treatments or identify eligible patients.¹

Stakeholder needs



Payers



Physicians



Patients



Care systems



- Commercial success requires broader stakeholder engagement than in the past
- Each customer may have radically different needs
- These needs will depend on:
 - Perceived asset differentiation
 - Existing unmet need
 - Existing competition
 - Need to build/redefine care pathways

Segmentation principles



Made to measure

What does your customer of the future look like? What does that require in terms of revised Go-to-Market? Are new commercial roles required? Will new partnering models, micro-journeys, or bite size content available with self-serve options play a role?

Relevant and integrated

Define opportunities by value delivered per stakeholder segment. Design engagement to deliver human and/or digital experiences bringing this value to life. Roles facilitating engagement orchestration e.g. KAMs need to be empowered to drive experiences integration.

Via appropriate channels

Consider contact preferences of your stakeholders to design efficient and effective engagement models. Think how to leverage innovative, high-growth channels and platforms (online pharmacies, e-health services) in particular when targeting patients.

Data driven

Embrace data to prove and improve value beyond the basics. Require a data led approach to everything, both internal and external – move beyond the current evidence playbook focused on a single life cycle stage

1) [The largest pharma company in Europe calls for interoperability - \(pharmaphorum.com\)](https://www.pharmaphorum.com)

IDN= Integrated Delivery Network, ICS= Integrated Care System

Source: [IQVIA Whitepaper: Transcending the Traditional Focus of Oncology Commercialisation, 2023](https://www.iqvia.com)

Future-proof commercial, medical and access capabilities

- With the change in portfolios and shift in market environments and customer expectations, medical and commercial functions too need to upgrade their function strategies and core capabilities to excel in hypercompetitive markets versus complex, under-developed markets
- Medical, access, and commercial functions need to develop a ‘living’ capability that constantly changes for hyper relevance. Such capability requires a much closer integration of medical and commercial teams and enabling functions than seen in the past, with account management, external RWD/E partnerships, and technology playing a central role in orchestration

UPGRADE ACTIONS

REORGANIZE TEAMS

Establish a new makeup of a brand “team” organised around patient outcomes or needs. Use swarming methods for responding to events. Constantly evolve roles across medical, marketing, sales based on data-rich strategies and ecosystem wargaming.



BUILD MARKET FIT CAPABILITIES

While CX, speed of execution, RWE and medical engagement is key for hyper-competitive markets¹, an added focus on market shaping, health system play and partnering, and advocacy is a must-win in complex markets



DRIVE DATA LITERACY

With growing importance of data and analytics across health systems, frontline teams need to be data fluent and digitally savvy. Intimacy with customer priorities and data assets will facilitate forward integration into emerging ecosystems’ treatment protocols



ENSURE CUSTOMER FOCUS

Ingrain “customer obsession” across planning and execution, to deliver compelling takeholder experience, which is quickly becoming the new yardstick and leading measure of impact



STRENGTHEN MEDICAL

A novel product or TA increases the need for medical insights, scientific collaborations and medical education – increasing need and urgency for medical resources



1) [Novartis’ Netflix moment? Big Pharma launches on-demand hub \(fiercepharma.com\)](https://www.fiercepharma.com/story/novartis-netflix-moment-big-pharma-launches-on-demand-hub/2022/01/11)

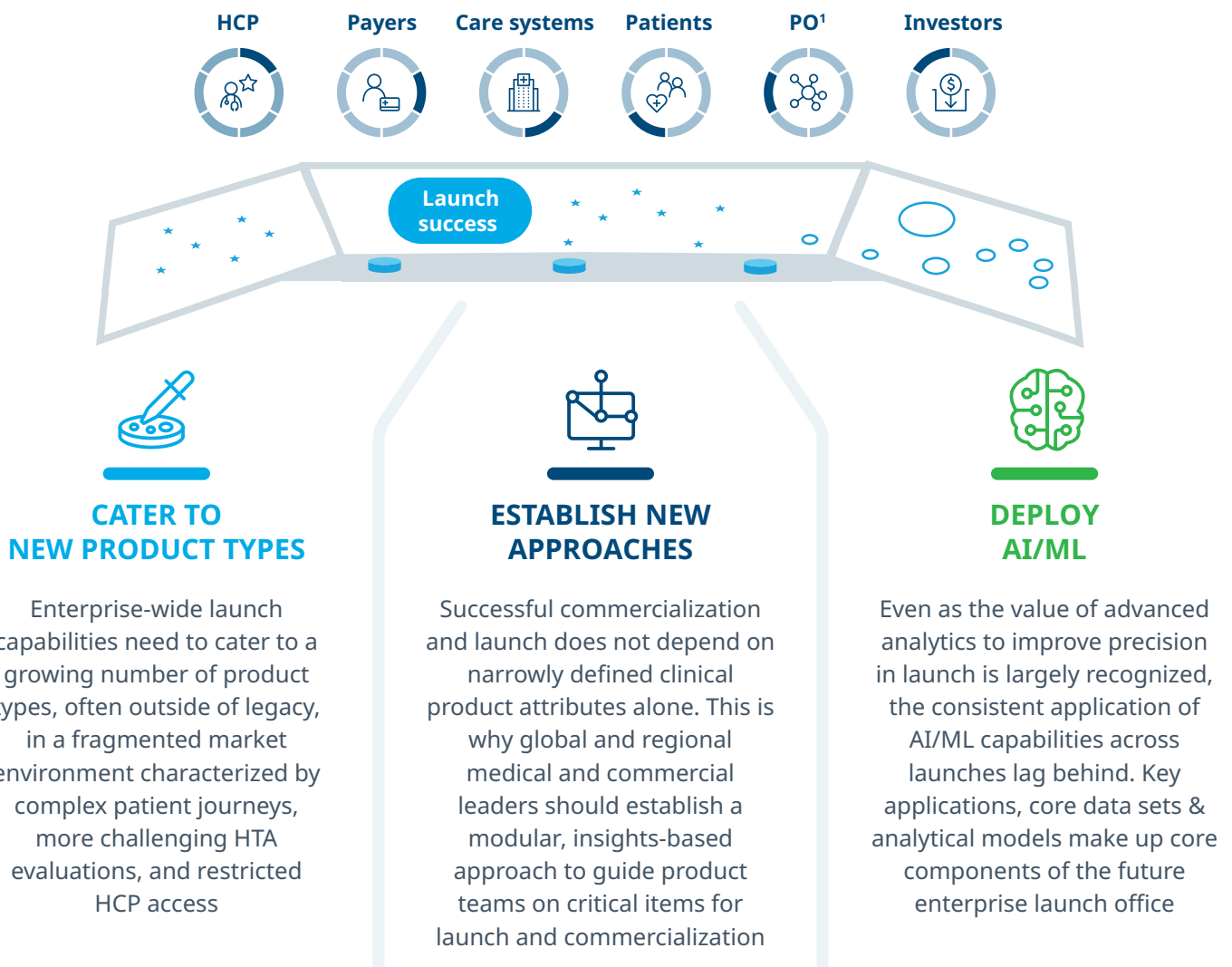
Source: [IQVIA Whitepaper: Medical Launch Readiness: Making or Breaking a Successful Launch, 2022](#); [IQVIA Whitepaper: Medical Affairs’ Next Frontier: Unlocking Omnichannel Engagement, 2022](#)

Innovate the enterprise launch engine

- Traditional approaches to launch need a rethink. Change is driven by new science coming to market and the increasing convergence of science and technology (new platforms, diagnostics and prognostics etc.). The all-comprehensive, waterfall approach enshrined in launch playbooks is the past. An agile, Minimal Viable Product focused approach that looks beyond Launch itself for continuous learning and evidence generation is the future
- A modular approach to launch governance that integrates local, regional and global teams, novel approaches to performance measurement, and embedding analytics and digital capabilities into the core of 'launch excellence' is required

Measure launch performance

Many factors impact launch success. Whereas prediction is hard, the consistent adoption of a leading approach to performance measurement can provide early visibility, rapid action, and the ability to learn and predict over time

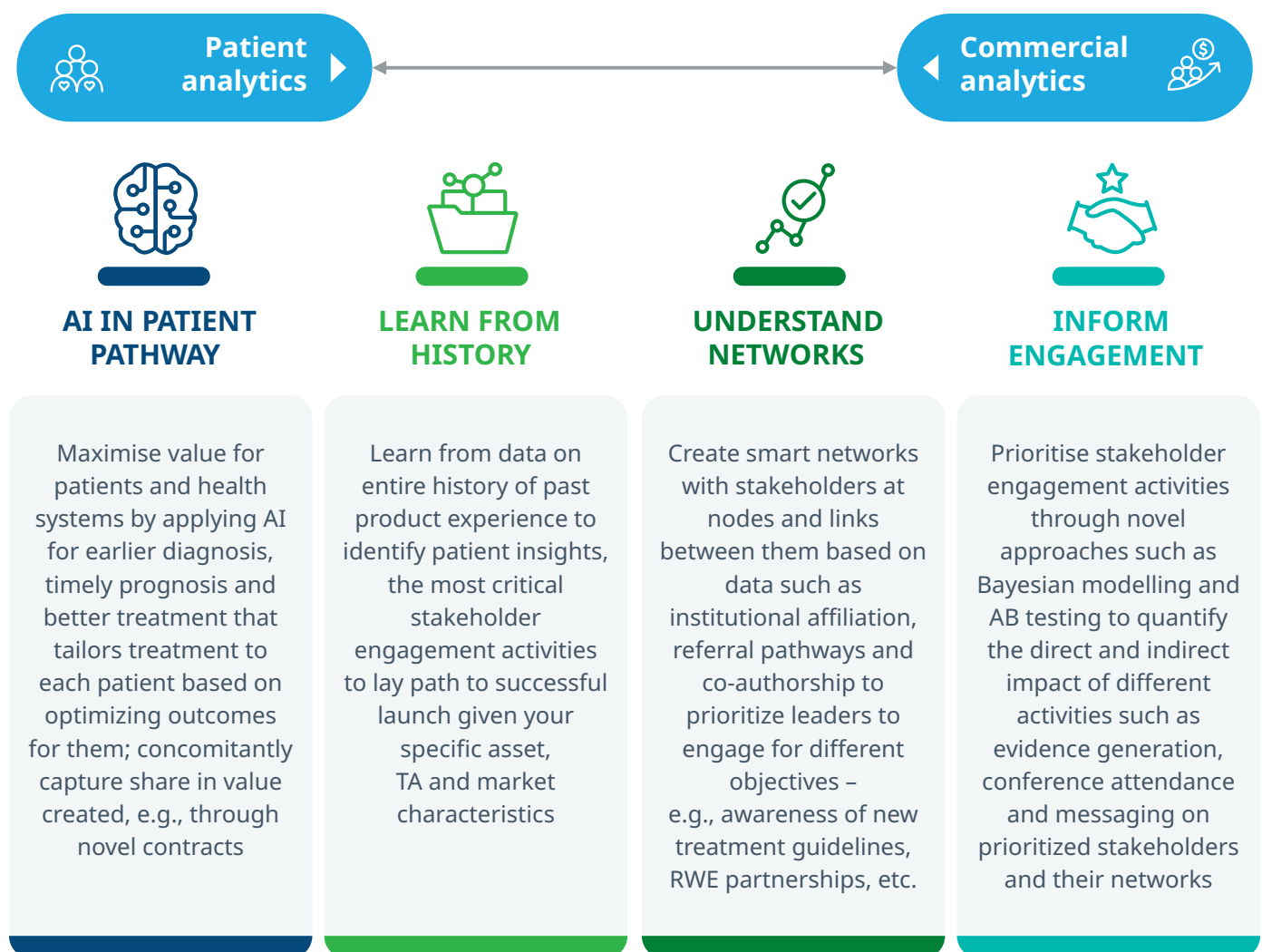


1) Patient Organisation

Source: [IQVIA Whitepaper: Launch Excellence VII: Three Pillars of post-Pandemic Launch Excellence, 2021](#)

Realise step change in speed and value with new commercial tech, analytics, and applied AI

- Many companies have set-up separate functions to incubate digital, data and advanced analytics capabilities. Yet digital today is everywhere and should be incorporated into the core value streams of commercial as assets move across pre-, peri, and post launch, be it in the form of clinical leader network mapping, predictive patient identification, driver analysis in the space of adherence, extrapolation of physician profiles to the entire universe, return on campaigns etc.
- Based on the experience with pilots and lighthouses to date and the investments in new SaaS platforms, apps, and micro services a unique opportunity exists to leapfrog and embed new capabilities into the core of commercial



Time to unlock your commercial growth?

Sample engagements

1. *Commercial strategy for combined asset & diagnostic*
2. *Scenario-based commercial strategy defining path to market in rare disease*
3. *Strategy for the critical pathway for a follow-on indication*
4. *Developing a data-driven opex forecasting model to strengthen investment decisions for early & late-stage assets*
5. *Developing a global evidence generation strategy for an asset treating rare childhood epilepsies*
6. *Evidence strategy for innovative oncology asset ahead of launching in multiple oncology indications*
7. *Contracting strategy and risk assessment tool development for new asset eu launch*
8. *Defining the vision and strategy for future frontline customer engagement*
9. *Rethinking go-to-market models in specialty care and niche indications*
10. *Developing a global commercial pharmacy strategy for rx medications*
11. *Designing the future medical frontline capabilities at large global pharma*
12. *Redesigning the key account model to match customer needs*
13. *Creating an enterprise launch capability to successfully navigate multiple parallel launches outside of legacy*
14. *Preparing and running challenger-sessions to optimise a large global pharma's most prominent assets*
15. *Launch compass: identifying key imperatives to future-proof specialty launches*



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